

**FACTORS AFFECTING PROCUREMENT PERFORMANCE IN PUBLIC
ORGANIZATIONS: A CASE STUDY OF COUNTY GOVERNMENT OF NAIROBI**

DAHIRA DAKAT IBRAHIM

**RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF THE MANAGEMENT
AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT
FOR THE AWARD OF DIPLOMA IN SUPPLY CHAIN MANAGEMENT
(PROCUREMENT OPTION) AT MANAGEMENT UNIVERSITY OF AFRICA**

MARCH, 2020

DECLARATION

This project is my original work and has not been presented in any other university. It should not be reproduced or used without prior knowledge and expressed permission of Management University of Africa.

SignatureDate.....

DAHIRA DAKAT IBRAHIM

DSM/3/00013/3/2018

This project has been submitted for examination with my approval as University Supervisor

Signature..... Date

Miss Faith Keitany

The Management University of Africa

DEDICATION

I wish to dedicate this research project to my family members whose support both informational and emotional ensured that this project is successful.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to my supervisor Faith Keitany for her guidance, contribution and assistance in writing and completion of this research project. To my lecturers for all the efforts they put in making this project a success and to my friends, I thank you for the information that you gave me, it really added value for this work. I would also like to acknowledge the County Government of Nairobi for the opportunity granted to conduct this research in their premises. I am also grateful to the Management University of Africa for giving me an opportunity to pursue my education at the institution.

ABSTRACT

The study's main objective was to establish the factors affecting procurement performance in public organization. The study was guided by the following key objectives to assess the effect of staff competence on effective procurement performance in County Government of Nairobi, to establish how resource allocation affects procurement performance in County Government of Nairobi and to establish the effects of stakeholder engagement on effective procurement performance in County Government of Nairobi. This study used an explanatory research design. Questionnaires were administered to employees who were selected using the purposive sampling technique. The target population of the study comprised approximately 109 employees from the county government offices of Nairobi. Data for this study was obtained from primary and secondary sources. The secondary data was gathered from the organization's review reports on Human Resource Management. Primary data was obtained from questionnaires given to the employees. The study targeted a sample size of 33 respondents from 109. Both quantitative and qualitative data was collected. The qualitative data from secondary sources was analyzed using content analysis and logical analysis techniques. Quantitative data which is numerical was used to analyse raw data using descriptive method whereby the basic features of the data were described. The researcher established that employees are not competent enough to handle complex procurement processes in the County Government of Nairobi as indicated by the respondents; the findings indicated that the county resource allocation policy is in line to ensure maximisation of key procured resources thus enhancing service delivery. Majority of the respondents were in agreement that Suppliers harmonization through electronic sourcing enables firms to readily identify new potential suppliers. The study concluded that Staff Competence and Procurement Performance require necessary skills and experience to carry out procurements effectively. On resource allocation the study concluded that County Government of Nairobi lacked clear accountability on how the resources provided impact on their performance. The study concluded that Top management plays important roles in ensuring that the staffs employed are competent. This study recommends that the County Government of Nairobi should be organizing workshops and trainings for procurement officers in order to improve their skills and knowledge, while employing they should ensure key competencies and experiences are put into consideration. The County Government of Nairobi should also put in place measures to prevent unethical behaviours which is costly to the County.

TABLE OF CONTENTS

DECLARATION.....	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	vii
DEFINITION OF TERMS	ix
ABBREVIATIONS	x
ABSTRACT.....	Error! Bookmark not defined.
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.3 Research Objectives	9
1.3.1 General Objective.....	9
1.3.2 Specific Objectives of the Study.....	9
1.4 Research Questions	10
1.5 Significance of the study	10
1.6 Scope of the study	10
CHAPTER TWO: LITERATURE REVIEW.....	12
2.0 Introduction.....	12
2.1 Theoretical Framework	12
2.1.1 Resource Based View Theory.....	12
2.2.2 New Public Management Theory.....	13
2.2.3 Stakeholder theory.....	14
2.3. Conceptual Framework.....	15
2.4 Review of variables	17
2.4.1 Staff competence	17
2.4.2 Resource Allocation	18
2.4.3 Stakeholder Engagement	19
2.5 Empirical Review	23
2.6 Research Gaps.....	24
2.7 Summary.....	25
CHAPTER THREE: RESEARCH METHODOLOGY	Error! Bookmark not defined.
3.1 Introduction.....	Error! Bookmark not defined.
3.2 Research Design.....	Error! Bookmark not defined.

3.3 Target Population	Error! Bookmark not defined.
3.4 Sampling Technique	Error! Bookmark not defined.
3.5 Data Collection Procedures	Error! Bookmark not defined.
3.6.1 Research Instruments.....	Error! Bookmark not defined.
3.7 Pilot Test.....	Error! Bookmark not defined.
3.8 Data Processing and Analysis	Error! Bookmark not defined.
CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND PRESENTATION	31
4.0 Introduction.....	31
4.1 Data Analysis and Presentation.....	31
4.2 Response Rate	31
4.3 Response and characterization of the participants	33
4.5 Human Resource competence as a determinant of effective procurement performance in County Government of Nairobi	37
4.4 Resource Allocation as a determinant of effective procurement performance in County Government of Nairobi	39
4.6 Stakeholder engagement as a determinant of effective procurement performance in County Government of Nairobi	40
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION	42
5.1 Introduction.....	42
5.2 Summary.....	42
5.3 Conclusions.....	43
5.4 Recommendations	44
5.5. Suggestion for future research	44
REFERENCES.....	45
APPENDIX I: LETTER OF INTRODUCTION	49
APPENDIX II: QUESTIONNAIRE.....	50
APPENDIX III: WORK PLAN.....	52
APPENDIX IV: FINANCIAL BUDGET	53

LIST OF TABLES

Table 3.1 Target Population.....	25
Table 3.2 Sample size.....	25
Table 4.1 Response rate.....	32
Table 4.2 affiliation of the participating designations.....	33
Table 4.3 Distribution of Respondents by Age.....	34
Table 4.4 shows the Distribution of the Respondents according to the level of education. ...	35
Table 4.5 shows the Distribution of Respondents by the length of stay in the Organization. ...	36
Table 4.6 Findings about Human Resource competence as a determinant of effective procurement	37
Table 4.5 Findings about Resource Allocation as a determinant of effective procurement performance	39
Table 4.7 Findings about stakeholder engagement as a determinant of effective procurement performance	40

LIST OF FIGURES

Figure 2.1 Conceptual Framework.....	12
Figure 4.1 below shows the response rate	32
Figure 4.2 Sector affiliation of the participating sections.	33
Figure 4.3 shows the Distribution of Respondents by Age.	34
Figure 4.4 shows the Distribution of Respondents by Education Qualification.	35
Figure 4.5. The Distribution of Respondents by the length of stay in the County Government of Nairobi.....	36

DEFINITION OF TERMS

Procurement Performance - The holistic process of managing and increasing the added value of Procurement like transparency in procurement (Saxena, 2017).

Staff Competence- According to Banda (2017), staff with the right critical ability and know-how to good procurement process management.

Resource Allocation: Refers to the process of charging the different organization departments with resources such as financial, physical, human or technological. These resources are limited and competed for by other proposals in any organization (Thompson and Strickland, 2017).

Procurement: is the acquisition of goods, services or works from an external source. It is favourable that goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the acquiring in terms of quality, quantity, time and location(Thompson and Strickland, 2017).

Information Communication Technology: Tools and resources used to communicate and to create, disseminate, store and manage information and this enhances procurement processes (Thompson and Strickland, 2017).

ABBREVIATIONS

ICT -	Information and Communication Technology
PPOA -	Public Procurement Oversight Authority
GDP -	Gross Domestic Products
PPDA –	Public Procurement and Disposal
KISM –	Kenya Institute of Supplies Management
CIPS –	Chartered Institute of Purchasing and Supply
PSM—	Procurement and Supplies Management
MSc –	Masters in Supply Chain
PP -	Public Procurement

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The analysis of procurement practices is imperative as it can enhance firms 'ability to offer more effective and efficient service delivery to clients. It supports effective service delivery as the needed inputs of production will be availed on time. The role of procurement is to enhance as well as to promote both efficiency and transparency in the sourcing of firm needed procurement goods and services (Mburu, 2017). Further analysis of procurement practices can enable organizations to operate on optimal level. This translates to noteworthy cost savings that in turn improves on organizational performance. The study of procurement performance at such a time is imperative. This is because many organizations have been accused of massive procurement irregularities that have led to adverse business results, for instance loss of shareholders money and procurement of inferior goods at high prices. This has led to serious compromise on quality of offered goods and service to end customers. As a result, customers are dissatisfied and market share lost. Modern day organizations therefore strive to attain more efficiency, cost effectiveness and accountability by undertaking to adopt vigorous and well-articulated procurement regimes (Shalle&Njagi, 2016).

The failure by organizations to establish procurement function will give rise to biased and irregular assessments which are costly to a business. The adoption of strategic procurement practices by banks that entail; the precise definition of actual business needs thorough analysis and understanding of industry economics and business risks as a result of switching suppliers. This leads to firm capabilities to properly monitor their business requirements thus improve on performance (Cousins &Spekman, 2016). Competition in the operating

environment has called on organization to rethink all functions and see how they can exploit them for sustainable competitiveness. Procurement as one of the key process has been identified to have an impact on organizational performance. Therefore, the way it is coordinated and executed plays a key role in the performance recorded by organizations. The attainment of optimal procurement performance is however dependent on various factors for instance; adopted levels of technology, available resources and procurement department level of expertise and experience

Procurement is the process of acquiring goods, works and services. Public Procurement (PP) as a function of government includes decisions about the services that will be delivered to local authorities and the communities they serve (Hughes, 2015). It is utilized not only to secure goods and services required by public sector organizations for their missions and to support services provided to taxpayers, but it is also used to implement national policies and to achieve social and other objectives (Thai, 2015). Many national and international instruments have been concerned with building an effective procurement system. In this context, particular procurement issues, such as the implementation of secondary policies, the review mechanism to address complaints, provisions on electronic procurement or rules governing privately financed proposals, have received an in-depth examination (De Castro, 2017).

According to Schiele (2016), procurement performance entails how well organizational procurement objectives have been attained. The extent to which procurement function is able to obtain best value for spent organizational money to purchase products and services is the best indicator of procurement performance. This entails two major aspects; efficiency and effectiveness. Procurement efficiency is the association that exists between planned and actual required resources needed to realize formulated goals and objectives as well as their related activities.

Procurement functions enable firms to achieve maximum value from various expenditures on crucial services (Procurement Policy Manual, 2015). The presence of poor contract management characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules. The presence of a high frequency of procurement plans formulation and evaluation contributes to better organizational procurement performance. Transparency and publicity effectively promotes accountability in the processes of purchasing and supply which in turn improves on overall procurement performance. Adopted integrated procurement systems enhances procurement accountability since they enable procedures to be more clear thereby safeguarding against non-compliance through prompt monitoring (Auditors General Report 2015- 2016)

1.1.1 Efficient Procurement Performance

In Uganda, procurement and disposal planning are central to proper procurement management. Public Procurement and Disposal of Public Assets (PPDA) Regulation 96(1) provides that a user department shall prepare a multiannual, rolling work plan for procurement based on the approved budget, which is submitted to the Procurement and Disposal Unit to facilitate orderly execution of annual procurement activities.

Kabaj (2017) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Equally, Kakwezi and Nyeko (2017) argues that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness. This implies that such a problem requires establishment of clear

procurement procedures and performance standards. Performance standards when adopted can provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function. In Uganda, procurement and disposal planning are central to proper procurement management.

1.1.2 Public procurement in Kenya

In the past decades, the public procurement system in Kenya has undergone significant developments. In developing countries Kenya being one of them, public procurement is increasingly recognized as essential in service delivery. Governments are the biggest "spenders" and most of this amount is "internal" spending but some 25% to 50% is indeed spent "externally" (on sourcing goods and services) and mainly through Public Procurement.

Procurement functions enable firms to achieve maximum value from various expenditures on crucial services (Procurement Policy Manual, 2015). The presence of poor contract management characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules. The presence of a high frequency of procurement plans formulation and evaluation contributes to better organizational procurement performance. Transparency and publicity effectively promotes accountability in the processes of purchasing and supply which in turn improves on overall procurement performance. Adopted integrated procurement systems enhances procurement accountability since they enable procedures to be more clear thereby safeguarding against non-compliance through prompt monitoring (Chene, 2016).

Procurement over time has become an important function at major firms. Procurement experts are accountable in helping corporations to enhance the value they receive from sourced materials, minimize costs, identify and manage risks related to suppliers (Kinyanjui,

2017). Achua (2015) deduced that employees on job competence have an effect on organizational procurement processes. Higher employee skills and capabilities leads to more diligent handling of assigned procurement tasks as they are able to exercise due care and skill. In addition, inherent skills have an influence on moral code of conduct that has an effect on the manner in which procurement tasks are to be carried out.

More resources allocation as well as equipment to the procurement department positively improves on procurement capabilities. The involvement of the procurement department in decision making leads to more favourable outcomes in organizational sourcing of needed material, services and equipment. The provision of adequate professional support by management through training and educational has a positive impact on procurement performance (Nzau& Njeru, 2017).Wanyonyi and Muturi (2015) concluded that staff competence, information technology and ethics positively affect procurement function performance. Organizations should therefore strive to adopt modern technologies, promote employees competence and enhance the implementation of good organizational moral code of conduct so as to attain improvements in their procurement departments.

1.1.3 Global scenario of Public Procurement

Inevitably, governments are the biggest "spenders" world-wide (World Bank, 2017). The figure, varies from country to country, but according to various sources (Knight et al., 2016) government spending on public services accounts for anywhere between 15-45% of GDP. Singapore reported 17%, while Canada is over 40% and the UK is in the range of 44% (Knight et al. 2016). Most of this amount is "internal" spending (of salaries and alike), but some 25% to 50% is indeed spent "externally" (on sourcing goods and services) and mainly through Public Procurement. The sheer amount of this spending has a huge impact on the economy. Mahmood (2016) reiterated that public procurement represents 18.42% of the

world GDP. In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka&Bisangabasaija, 2016), and it accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya (Akech, 2015), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 2017; Government of Uganda, 2017) as cited in Basheka and Bisangabasaija (2016). This is very high when compared with a global average of 12-20 % (Frøystad et al; 2016). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency (Hui et al; 2017).

Public procurement in Uganda is an issue of debate by both the academic and policy makers.(Kiraso,2015) in his finding indicated that 70% of the national budget is spent on procurements alone while 30%is spent on emoluments of public workers. By 1998 total expenditure on procurement was estimated to be \$200 million per year through procurement system, with perhaps \$500 million spent through donor funded proposals.

1.1.4 Public Procurement Performance in County Governments

Effective Public procurement performance is essential to the development of a county economy hence accounting for 40% of their GDP. However, concerns on the way in which public organizations use the resources that are given to them has often raised doubts that value for money has not been realized. Despite the fact that there has been a reform initiative in the public procurement system in Kenya, County governments still loses billions of money through procurement irregularities (Auditor General Report, 2017). The evaluation of procurement performance has always been a vexing problem for procurement professionals in the Kenyan public (Odhiambo & Kamau 2015).

According to Auditor General Report, (2016) Procurement challenges experienced by county governments contravene the key principles underpinning public procurement, which include value for money, ethical standards, competition, transparency and accountability. Thus, counties government's extensively violate the general procurement rules provided in legislation. The causes of ineffective procurement performance by county governments revolve around incompetence of human resource, mismanagement of resources, failure to follow due process, lack of adequate numbers of stakeholders (Public Procurement Oversight Authority, 2016).

1.1.5 Profile of Nairobi County Government

This study is being undertaken at the County Government of Nairobi. The county government is a legal entity under the local government Act (Cap 265) Laws of Kenya and the Devolved government under the New Constitution of Kenya (Chapter 11). It is a kind of public organisation organization mandated provides services within its area of jurisdiction. Additionally, county government is mandated to legislate, execute, and levy taxes. Nairobi County is one of the 47 counties, situated in the coastal Kenya with a population of 3,134,231 as per the 2009 Census report.

County government of Nairobi has faced procurement challenges in the FY 2015/2016 expenditures according to the Auditor General reports, (2017) and the county government budget implementation review report 2015/2016 published in August 2017 by the Controller of Budget, the reports indicated that the county was faced with inadequate staffing and low levels of staff capacity especially in public procurement and financial management. This affected budget implementation, resulting in low absorption of funds thereby hindering the procurement performance.

1.2 Statement of the Problem

Performance measurement is crucial in enhancing the performance of organizations because whatever gets measured gets done. The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the United Nations Conference on Trade and Development, the World Trade Organization etc. This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization (Telgen, Zomer, & deBoer, 2017).

According to the Auditor General's 2018/2019 report, the procurement functions of most public entities were not complying to set procurement processes and performance procedures which have led to irregular and subjective decisions. These decisions have had costly consequences for any public entity, and the country at large. In developing countries, public procurement is increasingly recognized as essential in service delivery and it accounts for a high proportion of total expenditure. For example, public procurement accounts for 60% in Kenya, 58% in Angola, 40% in Malawi and 70% of Uganda's public spending. Due to the colossal amount of money involved in government procurement, there is need for accountability and transparency. Procurement is the nerve center of performance in every institution, whether public or private and thus needs a tight system to be followed and adopted.

Local studies on the area of procurement performance have focused on the effect of procurement process in companies. Ngugi and Mugo (2017) analyzed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya, however, the study did not focus on county governments in Kenya. Chipiro (2017) examined the impact of E-procurement on strategic sourcing in limited banks in Zimbabwe while Heng

(2017) examined the factors influencing procurement performance in Malaysian Banks however these studies did not focus on county governments in Kenya. Jackinda (2015) did an investigation into the effectiveness of the procurement performance measurement systems of large manufacturing companies in Nairobi but did not address the determinants of procurement performance. (Rwoti, 2015) did a study on procurement performance measurement systems of large manufacturing companies in Nairobi but did not address the procurement performance in Kenya. Therefore, there is lack of conclusive studies in Kenya as majority of reviewed studies focus on developed economies. This forms the research gap. It is for this research gap that the study wishes to establish the factors affecting procurement performance in Nairobi County.

1.3 Research Objectives

1.3.1 General Objective

The general objective was to establish the factors affecting procurement performance in County Governments: A case study of County Government of Nairobi.

1.3.2 Specific Objectives of the Study

1. To establish the effect of human resource competence on procurement performance in County Government of Nairobi.
2. To establish the effect of finance allocation on procurement performance in County Government of Nairobi.
3. To establish the effect of stakeholder engagement on procurement performance in County Government of Nairobi.
4. To assess the effect of government policy on procurement performance in county government of Nairobi.

1.4 Research Questions

1. Does Staff competence have an effect on the effective procurement performance in County Government of Nairobi?
2. Does resource allocation affect the effective procurement performance in County Government of Nairobi?
3. Does stakeholder engagement affect the effective procurement performance in County Government of Nairobi?
4. How does the government policy affect procurement performance in county government of Nairobi?

1.5 Significance of the study

The findings and recommendations of the study will be useful to the government, all procurement units at the County ministries, and interested stakeholders for guidance in coming upon with a comprehensive policy that is supportive to effective management of the procurement performance. The findings may also be useful as reference materials guiding future studies, planning and monitoring of correct and future procurement performance. The findings and recommendations of the study will add on to the existing knowledge on the determinants of procurement performance. This research will also enable the researcher attain the requirements for the award of diploma in supply and Procurement option.

1.6 Scope of the study

The study was carried out to establish the determinant of effective procurement performance at the County Government of Nairobi. The study aimed at collecting information from 33 respondents .The study targeted various departments in county government of Nairobi and

the category of the population included both male and female. The research was carried during the month of September to December 2019.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter will present a comprehensive review of literature related to the study in a bid to position it in a pertinent theoretical framework. Thus it will discuss findings of related researches to this study. The literature review provides the reader with an explanation of the theoretical rationale of the problem being studied as well as what research has already been done and how the findings relate to the problem at hand.

2.1 Theoretical Framework

The theoretical framework of a research proposal relates to the philosophical basis on which the research takes place, and forms the link between the theoretical aspects and practical components of the investigations undertaken (Davila & Foster, 2012).

2.1.1 Resource Based View Theory

In recent years many studies on the status, evolution, and/or trends of the resource-based theory (RBT) have been published (Barney, 2001; Priem and Butler, 2001; Makadok, 2001; Mahoney, 2001; Phelan and Lewin, 2000). According to Barney (1991) “the resource based view examines the link between a firm’s internal characteristics and performance”. As the basis for a competitive advantage, the resource based view considers the application of a bundle of tangible and intangible resources (Wernerfelt, 1984). In order to make competitive advantage sustainable, resources are required to be heterogeneous and immobile (Peteraf, 1993). Building on this, the resource based view enable firms to determine their core competences which are also critical for the creation of the latter (Espino-Rodríguez & Padrón-Robaina, 2006). The resource based view can also be applied to supply management and the

purchasing function. As shown in the results, the resource based view is able to contribute to and support every decision point of the purchasing year cycle.

2.2.2 New Public Management Theory

According to New Public Management (NPM) philosophy, modern government should be customer oriented, competitive and result oriented, and thus ICT has a role to play for enhancing the effectiveness of government services hence the concept of new public management issued to strengthen the need and importance of ICT in public sector (Geentanjali, 2011).

ICT is also expected to contribute to improved communications patterns, an increased demand for coordination of joint activities and new organizational and societal structures through its ability to store, transmit and process information and speed up inter-organizational activities (Clemons & Row, 1992). ICT services can be used for promoting more efficient and cost effective government, more convenient government services, greater public access to information, and more government accountability to citizens (Geentanjali, 2011). E-Procurement has been defined as the use of information technologies to facilitate B2B purchase transactions for materials and services (Wu & Ross, 2007). Organizational readiness and external pressure impact on e-business strategy (Mehrtens, 2001). Many firms are experiencing a number of major problems in implementing e-business proposals due to haste decisions in the presence of considerable media and software vender hype, and often no theoretical basis behind the determination of which applications are most applicable (Cox, 2001). Electronic procurement in public domain can be seen as a policy tool to support service delivery of public procurement policy, improving transparency and efficiency (Carayannis & Popescu, 2005; Croom & Brandon-Jones, 2005). E-Procurement can assist a government in the way it does business by reducing transactional cost, making better decisions and getting more value (Panayiotou, 2004). E-procurement adoption and usage in

the EU and US public sector is being encouraged (Carayannis& Popescu, 2005; Reddick, 2004).

2.2.3 Stakeholder theory

Stakeholder interests could encompass a broad range of issues, such as labour conditions, environmental issues or social responsibility, some of which might be contrary to a firm's interests (Friedman & Miles, 2006). This touches on Frooman's (1999) suggestion that stakeholder management could be seen as managing potential conflict stemming from diverging interests. In a related debate on corporate responsibility and citizenship, Waddock (2001) argues that becoming a good corporate citizen means "defining, and achieving, responsible operating practices fully integrated into the entire corporate strategy, planning, management, and decision-making processes." Although such issues are important to achieve a further understanding of stakeholder-oriented management and its applications in business, they do not offer much insight into the *relationship* between stakeholders and firms. As Frooman (1999) notes, in stakeholder research much attention has already been paid to characterizing stakeholders and considering their aims, leaving influence strategies employed by stakeholders largely unattended. Therefore, he aimed "to build a model of stakeholder influence strategies that will address this missing part of stakeholder theory and ultimately enable managers to better understand and manage stakeholder behaviour (Frooman 1999).

2.3. Conceptual Framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel and Ramey, 2016). The schematic diagrams below will not only guide the study but will also show the interrelatedness among the key variables in the study as illustrated in Figure 2.1.

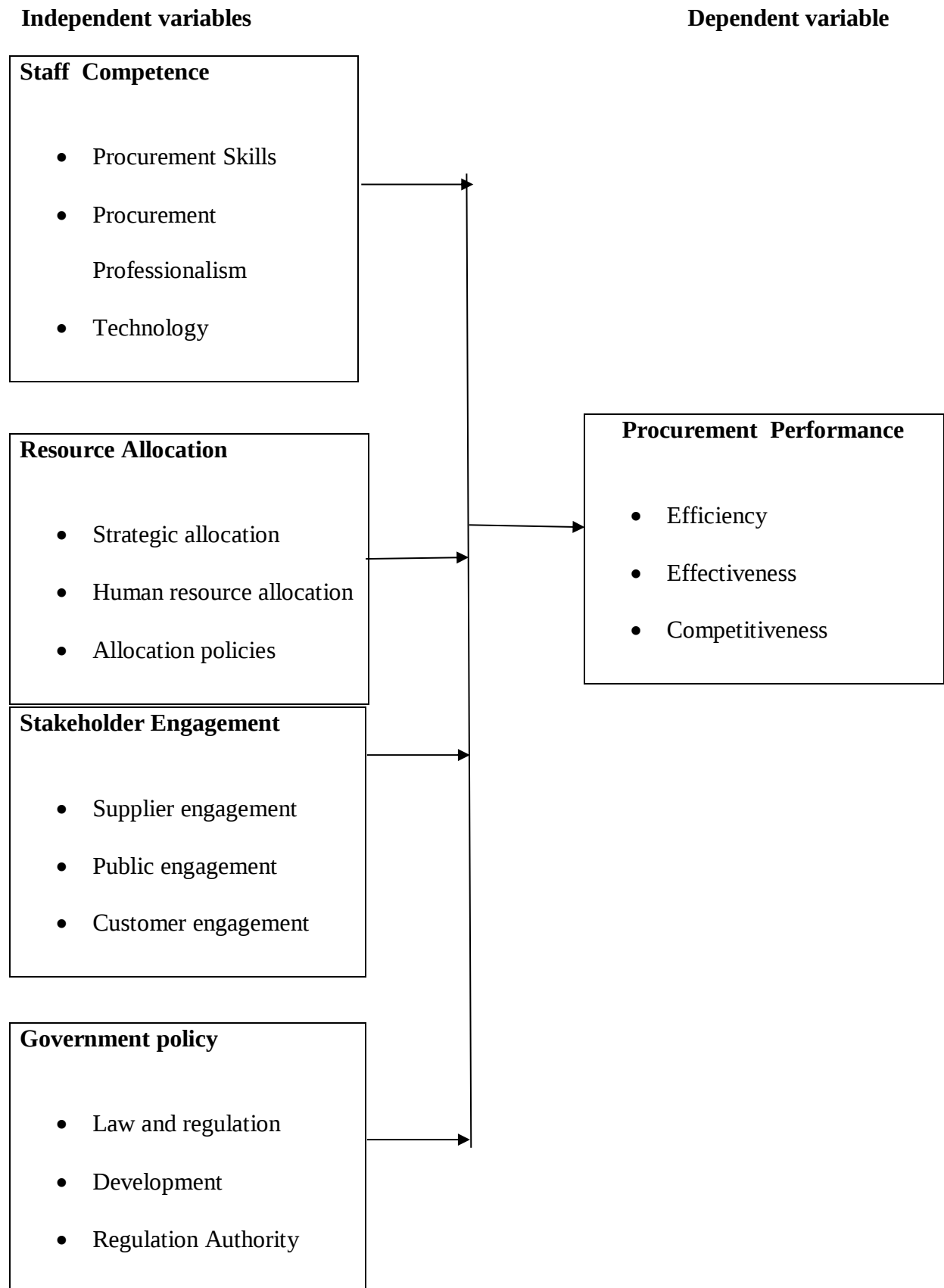


Figure 2.1 conceptual framework

2.4 Review of variables

2.4.1 Staff competence

Staff competence is defined as a capability or an underlying characteristic of an individual, which is casually related to effective or superior performance. For purpose of this study competency is used to refer to applied knowledge and skills, performance delivery and behaviour required to get things done very well(Armstrong and Baron, 1995).Public procurement professionals have to strive to achieve three competing demands of meeting commercial interests with key themes of value for money, economy, efficiency and effectiveness.

Staff Competence and Procurement Performance require necessary skills and experience to carryout procurements effectively and that the staff competency influence procurement performance to a large extent. Procurement staff competency affect procurement performance both for procurement unit and to the whole nation in the sense that experienced staff carry out duties in professional manner and reduce wastage of resources. Effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process. Competent staff would ensure that items and services are procured as and when the need is expected. Lysons and Dillingham, (2016) confirms this indicating that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money.

Inside a general sense professional originates from knowing one has done a great job to the better of one's ability. According to Gilbert (2015) a professional is a person who is highly educated, enjoys work autonomy, earns a comfortable salary and engages in creative and intellectually challenging work. Professionalism in procurement can't be achieved without education and learning both technical and soft skills however it doesn't stop there. Managing

purchasing and supply function require a thorough understanding of the procurement process that takes place within the organization which requires competent staff(Weele,2017). Kiplgat (2016) pointed out that lack of requisite skills in employees was one of the challenges facing communication commissions of Kenya. Many of the challenges and concerns relate to the fact that the government institutions have not professionalized their procurement organization, systems and staffs (Weele, 2017).Communications skills both on paper and verbally are also critical on procurement professionalism. Similarly Kolchin and Guinipero (2016) proposed three skills, business, Interpersonal and technical skills, Allen (2016) argues that firms that have embraced this idea have made better performance since procurement professionalism guarantees customer satisfaction.

Sound procurement systems that stress various principles such as transparency and publicity will effectively promote transparency and accountability in the processes of purchasing and supply thereby improving the overall procurement performance. The adoption of sound integrated procurement systems enhances accountability as it enables procedures to be made more clearly hence safeguarding against non-compliance through prompt monitoring. Adoption of procurement systems integration enhances efficient and timely reforms in organizational material, equipment and services sourcing. The success of adopted systems is however dependent on various factors such as; employees know how, clear commitment by and readiness to implement the ICT systems (Chene, 2017).

2.4.2 Resource Allocation

Resource allocation involves the distribution and utilization of available resources across the system. Because resource availability is usually scarce and expensive, it becomes important to find optimal or even good solutions to such problems. Thus, resource allocation represents an important class of problems faced by County governments (Strickland, 2017).

Failure to conveniently employ available resource or delayed implementation of recommended performance standards has resulted in unnecessarily high operation costs, uncoordinated public activities, and failure to attract and retain experienced and skilled personnel in the procurement positions, thus affecting the function's performance (Farmer & Weele, 2015).

The KPMG (K) International report (2017) reported that there was a major challenge in respect to public accountability and transparency when public resources are used to acquire goods and services by public entities worldwide. Most of the public entities lacked clear accountability on how the resources provided impact on their performance, and hence went against the fundamental principles of public procurement (value for money spent, accountability, transparency and equity).

Onyango (2015) asserts that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of the national commitment to making the best possible use of public resources. He adds that funding for procurement is unlikely to be sufficient to meet all requirements, but emphasizes that the scarce financial resources must be allocated appropriately to meet the priority public services before less essential needs. Agreeably, Mamiro (2017) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

2.4.3 Stakeholder Engagement

The term stakeholder is used broadly in technology proposals to refer to anyone who should have some direct or indirect influence on requirements. It is good practice to allow anyone

who sees them self as a stakeholder to be a stakeholder, but they are often not quite so forthcoming and the difficult problem is how to enroll and effectively engage with stakeholders (Thai, 2015).

Stakeholders are the individuals involved for successful implementation of procurement procedures and ensure efficiency and the effectiveness of procurement performance is achieved (Thai, 2015).

According to Donaldson and Preston (2017), the stakeholder theory has become an indispensable part of the management literature. They classified stakeholders into internal, external, key, and secondary ones, each carrying a different level of influence to the enterprise. When analysing from the social network perspective, a firm does not deal with one stakeholder at a time, but multiple stakeholders simultaneously, with interdependent relationships among these stakeholders. Consequently, the relationship between firms and their stakeholders are as complex as the ways to manage them. The premise of stakeholder theory is that firms are bound to have conflicts with their multiple stakeholders. The central issue of stakeholder research is thus how to minimize these conflicts, within the stream of stakeholder research.

Frooman (2017) took the approach of deciphering stakeholder actions and developed his stakeholder influence strategy theory from a resource dependence perspective. As Frooman theorized, the type of resource relationship between the firm and its stakeholder determines where the power lies in the exchange. The level of “resource dependence” depends on the attributes of a resource, such as the relative magnitude of exchange in a resource relationship and the criticality of that resource. For example, if the firm depends on the stakeholder for a critical resource for survival, the stakeholder will have absolute power over the firm, and vice versa. Furthermore, the balance of power will determine the stakeholder’s choice of influence

strategy. Two important features marked Frooman's discussion of stakeholder influence strategies: the way the stakeholders control resources, and the path the stakeholders take to manipulate the supply of resources. If a stakeholder owns resources that a firm needs, the stakeholder can control the firm by determining whether the firm gets the resources and whether the firm can use the resources in the way it wants. Frooman called these "resource control strategies", and differentiated between two types of resource control strategies: withholding and usage. Withholding strategies are defined as those where the stakeholder discontinues the supply of a resource to a firm with the intention of making the firm change its action. Usage strategies, on the other hand, are those in which the stakeholder continues to supply a resource, but with strings attached. Because these two strategies carry different costs to the stakeholder, cost consideration sometimes become key determinant in the choice of influence strategy. It would thus be prudent to understand the role of stakeholder influence in procurement since the procurement processes have a number of players whose influence differ and whose objectives and interests sometimes are in conflict with those of the organization (Thai, 2015).

Top management plays important roles in ensuring that the staffs employed are competent, resources allocations are available, budgets are prepared and adhered to, and staffs are taken for training to increase their knowledge and skills. Suppliers also play a very big role in procurement performance by ensuring that they supply in time and according the specifications and their catalogues (Miles & Breen, 2015).

According to Wee (2017) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency (Wee, 2017). Ethical behaviour includes avoiding conflicts of interest and not making improper use of an individual's position and is important in public procurement as it involves the expenditure of public

money, and is subject to public scrutiny (Wee, 2017). Public officials should always behave ethically and fairly, including in their business undertakings (Wee, 2016). Ethical behaviour supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace (Göran & Michael, 2016). Ethical behaviour can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behaviour; and enhance confidence in public administration (Wee, 2017).

An important and effective way to maintain ethics awareness in agencies is to provide training for employees (Amos & Washington, 2016). Ethics training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, accountability and administrative law; regular reviews or audits of procurement processes can be done to ensure probity is being considered and achieved (Amos & Weathington, 2017). Miles and Breen, (2015) argue that providing health facilities with drugs and medical supplies is a complex process involving both the private and public sectors. Governments and health Ministries often lack the management skills required to write technical specifications, supervise competitive bidding, and monitor and evaluate the contract performance (Miles & Breen, 2015).

Although the core theme of national strategy is acquiring goods, services and works at lower cost, the strategy acknowledges that council will also have other drivers which influence procurement such as approaches to support local business by realizing economic, social and environment benefits for their communities through procurement activities in Economic Development Guide, (Daniel Dobson. Mouawad, 2017). Involvement of community on procurement impacts community on socially and economically like cost reduction, improved standards of living, improved infrastructure and formation of self-help-initiative for planning and implementation of policies. (M.sohail Andrew Cotton, 2017).

2.5 Empirical Review

Nzambu (2015) analysed the factors affecting procurement performance in county governments: the case of ministry of health and emergency services, Machakos, Kenya. The study established that adoption of information communication technology, procurement professionalism, stakeholder's involvement and project financing influences procurement performance in Ministry of Health and Emergency Services. The study only identified determinants of procurement performance but did not establish nature of identified factors and performance

Nzau and Njeru (2017) examined determinants affecting procurement performance of public universities in Nairobi County. They found that the allocation of more resources and equipment to the procurement department positively improves on its capabilities and output to organizations. The involvement of the procurement department in decision making leads to more favourable outcomes in organizational sourcing of needed material, services and equipment. The study showed that the provision of adequate professional support by management through training and educational has a direct influence on procurement performance. The study was however limited in scope in that the research findings cannot be generalized to the entire East African region as the study population was entirely based in Nairobi.

Wahu, Namusonge, Mungai and Chilion (2015) studied the determinants affecting performance of the procurement function among public secondary schools in Kenya with a case study of Gatundu District. The study established that; competitive bidding, existing regulatory framework and lastly aggregation of procurement affects procurement performance. The study also found that competitive bidding improves on procurement performance. A positive relationship therefore exists between the two variables. The study observed a direct association between aggregation of procurement and performance of

procurement functions. The intended study will be carried out in the East African Banking industry hence the discussed study are a bit different from the intended one.

Musau (2015) examined environmental determinants affecting procurement performance in county governments with a case of Uasin Gishu County. It was established that environmental factors affects procurement performance. In particular, political, legal environment and socio-economic environment impacts procurement performance. In regards to market environment, competition maximization and the fulfilment of government needs as market components influences procurement performance. The study was carried out with a case of county governments in Kenya.

2.6 Research Gaps

Local studies on the area of procurement performance have focused on the effect of procurement process in companies. Ngugi and Mugo (2017) analysed the effect of procurement activities on the operation and effectiveness of public sectors in Kenya; however, the study did not focus on county governments in Kenya. Chipiro (2017) examined the impact of E-procurement on strategic sourcing in limited banks in Zimbabwe while Heng (2016) examined the factors influencing procurement performance in Malaysian Banks however these studies did not focus on county governments in Kenya. Jackinda (2015) did an investigation into the effectiveness of the procurement performance measurement systems of large manufacturing companies in Nairobi but did not address the determinants of procurement performance. Rwoti (2015) did a study on procurement performance measurement systems of large manufacturing companies in Nairobi but did not address the procurement performance in Kenya. However, there lacks conclusive studies in Kenya as majority of reviewed studies focus on developed economies.

Due to the colossal amount of money involved in government procurement, there is need for accountability and transparency. Procurement is the nerve centre of performance in every institution, whether public or private and thus needs a tight system to be followed and adopted. Many procurement activities still suffer from neglect, lack of proper direction, poor co-ordination, slow with a lot of bureaucracy, lack of open competition and transparency, differing levels of corruption and not having a cadre of trained and qualified procurement specialists who are competent to conduct and manage the procurement process in a professional, timely and cost effective manner. The effect of these variables varies across the organizations studied but notably, most of the studies failed to point out that the key factors to be resource allocation, staff competency, procurement planning and stakeholder influence.

2.7 Summary.

This chapter has discussed the various studies while establishing the factors affecting procurement performance in organizations and county governments. The section looked at the theoretical literature which showed the linkages to effective procurement performance variables. The chapter further discusses the conceptual framework where, independent variables were broadly explained and how each variable determined effective procurement performance of county governments. Empirical framework was also discussed and showed the linkage of the existing literature and other past researchers to the research questions. Summary and research gaps were explained basing on their relevance to the study

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

The chapter contains the operationalization of the study by fronting the design to be used, the population targeted, the instruments and how the data collection is carried out by the researcher and then the research ethics to be used.

3.1 Research Design

This refers to the overall design and plan on how to answer the research questions of the study. It refers to the overall tactic chosen to integrate the diverse components of the study in a comprehensible and systematic way, thereby, ensuring effective address of the research problem. The specialist utilized a clear research configuration to complete the investigation. As indicated by (Mugenda, 2003), a distinct research configuration is characterized as a procedure of gathering information keeping in mind the end goal to answer questions concerning the flow status of the subject in the investigation.

According to Hair (2010), using quantitative methods of study in an empirical research ensures establishment of correlations and cause effect relationship that is important in viability of the constructs. The research design that will be adopted for this study will be descriptive design that will determine the factors influencing inventory control operations in meat processing firms at Kenya Meat Commission. This design will enable the researcher to use quantitative research methods in data collection, analysis and interpretation.

3.2 Target Population

As indicated by Ngechu (2004), a population is characterized as a set of individuals, administrations, components, and occasions, gathering of things or family units that are being explored. Mugenda and Mugenda (2003) additionally characterize the population as that populace which the specialists need to sum up the aftereffects of the finding.

Table 3.1: Target Population.

Category	Target Population	Sample %	Sample size
Top Management	15	30	5
Human Resource	21	30	6
Procurement & Supplies	48	30	14
IT Department	25	30	8
Total	109		33

Source: Author 2019

3.3 Sample and Sampling Technique

A sample is a finite part of a arithmetical population whose properties are studied to increase information about the whole (Webster, 2015 According to Gay (2009) sampling is a system of selecting some of individuals for a study in any such way that the people or elements constitute a larger organization or the population from which they may be selected.

The research will use stratified random sampling because it gives all individuals of the target populace a recognized risk of being decided on for inclusion inside the sample and this does not depend on preceding occasions in the selection method. In other words, the selection of people does no longer affect the hazard of anybody else in the population being selected Kumar, (2015). Statistically, so as for generalization to take place, the have a look at sampled 30% of the respondents for discount of sampling errors (Mugenda, mugat & C.k father2013)

3.4 Data collection Instruments

Questionnaires will be used to collect data from the respondents. Questionnaires are commonly used to obtain important information about the study population and they best suit this study due to the fact that the researcher can get responses immediately based on the

objectives of the research, and to address the research questions (Mugenda and Mugenda, 2003).

3.5 Pilot Study

3.5.1 Validity

Validity refers back to the volume to which the studies device measures what it seems to degree according to researcher's subjective assessment (Kumar, 2009). It is the degree to which ends from the evaluation of the information collected constitute the situation below examine (Mugenda and Mugenda, 2003).

In order to test the validity of the questionnaire for use for the study, the researcher will administer the questionnaire to five respondents. These respondents as well as their solutions will not a part of the real or actual study though it will be most effectively used for checking out validity functions of the research instruments. After the questions have been responded to, the researcher will request the respondents for any pointers or any necessary corrections to make sure similarly development and validity of the device.

3.5.2 Reliability

Reliability refers to the consistency or rather the stability of the scores obtained from tests and assessment procedures. Mugenda and Mugenda (2003) argue that reliability is a measure of the degree to which a researchers' instrument yields consistent results or data after repeated trials. To ensure reliability, Charles (1995), postulates that consistency with which questionnaire or test items are answered or individuals scores remain relatively the same can be determined through the test-retest method at two different times.

This method will involve administering the questionnaire at an interval of one week as a pilot test to the same group and then comparing the two scores. Comments that will be made by the pre-testing respondents will be used to adjust and improve the instrument.

3.6 Data Collection Procedure

Data will be collected using a questionnaire. A questionnaire consists of a list of questions relating to the field of enquiry, and providing space for answers to be filled by the respondents. Closed and open ended questions will be used in the questionnaire to gather information from the respondents. Consequently, by using these two types of questions, both quantitatively and quantitative data will be collected from the respondents. Before initiation

of the actual survey, three research assistants will be identified to assist the researcher in administration of the questionnaire.

The assistants will be briefed about the project and its objectives and then trained on the administration of the questionnaire to the subject. Questionnaires will be prepared and then distributed to the respondents through hand delivery equivalent to the number of sample size and then the respondents were given time comprising to a period of seven days to fill them. Thereafter, the questionnaires will be collected back for the final analysis.

3.7 Data Processing and Analysis

This is the process of gathering, modeling and transforming raw data with the goal of highlighting useful information, suggesting, conclusion and supporting decision making (Kothari, 2001). The purpose of data analysis will be to prepare crude data into interpretable design.

A number of criteria are proposed by Kumar (2005), to select an appropriate statistical technique, two of which are the appropriateness of the technique to the research question, and the characteristics of data. This is research which involves measuring or counting attributes (i.e. quantities). The answers from the questionnaires will be coded in relation to how they relate for easy Statistical Package for Social Sciences (SPSS) use as the most efficient and convenient processing and analyzing of data.

Based on these criteria descriptive statistics e.g. measures of central tendency will be used in this study. Data will be presented in the form frequency tables and charts to summaries the responses to each question.

3.8 Ethical Considerations

Rosenthal (2004) defines ethics in research as the capacity of a researcher to report precisely what occurred. It includes keeping up trustworthiness and order in leading and revealing logical research and credit for thoughts and endeavors

3.8.1 Confidentiality and privacy

Participants' privacy will be respected by conveying them with unique identifier codes to protect their identity and their responses. The study has indiscriminate findings, thus information will not be associated to an individual.

3.8.2 Informed Consent

Participants will be knowledgeable and their consent will be sought for the purpose of this study. The informed consent will include anticipated duration of research and right of partakers to decline or withdraw during the process.

3.9 Chapter Summary

The chapter has presented the methodology that was used in the research study. The nature of the study has justified the choice of the descriptive design. Particulars of the target population, sample size and sampling procedure, research instrument, data collection procedure and how the analysis was done have been provided.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.0 Introduction

This chapter presents the analysis of data collected from the field by the use of questionnaires and observations as reflected under research methodology. Its aim is to analyse the role played by information technology on the procurement function.

4.1 Data Analysis and Presentation

This involves seeing data in the light of hypothesis or research questions and the prevailing theories and drawing conclusions that are amenable to theory formulation. It also involves interpretation and presentation of information obtained in the questionnaires in comparison with observation and document analysis guide.

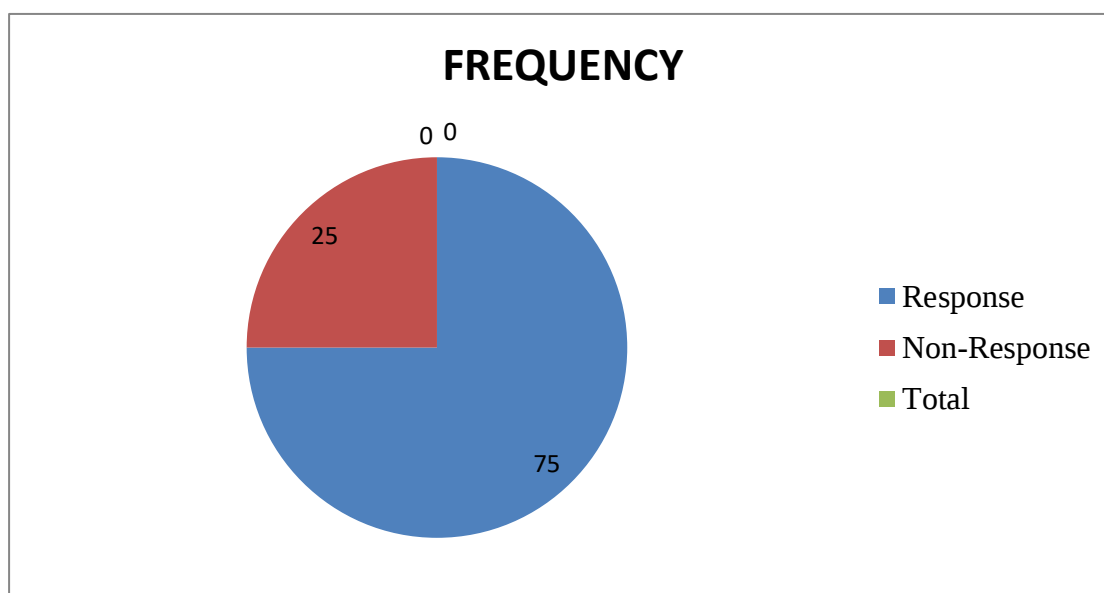
4.2 Response Rate

The questionnaires were distributed to various respondents in relation to the sample size. The response was good in all the sections with most of the respondents ready to avail their time to answer the questions and give their views. The study surveyed a sample of 40 employees and out of 40 questionnaires administered 30 were fully completed. 30 people in total took part in the study, resulting in a return rate of 75%. The study draws a comprehensive picture of the situation and evaluation of 40 employees in the County Government of Nairobi regarding procurement performance. The participants in the study would be broken down by the section they belong.

Table 4.1 Response rate

Category	Frequency	Percentage
Response	30	75
Non-Response	10	25
Total	40	100

Figure 4.1below shows the response rate



Source: Analyzed Data 2018.

The above pie chart represents the response rate as clearly stated in the table 4.1. The study shows that 75% of the sampled respondents who successfully filled and completed the questionnaire to the required satisfaction of the research were 30 which represent 75% while 10 non-respondents represent 25%. Based on this analysis it can be concluded that the response rate was very high.

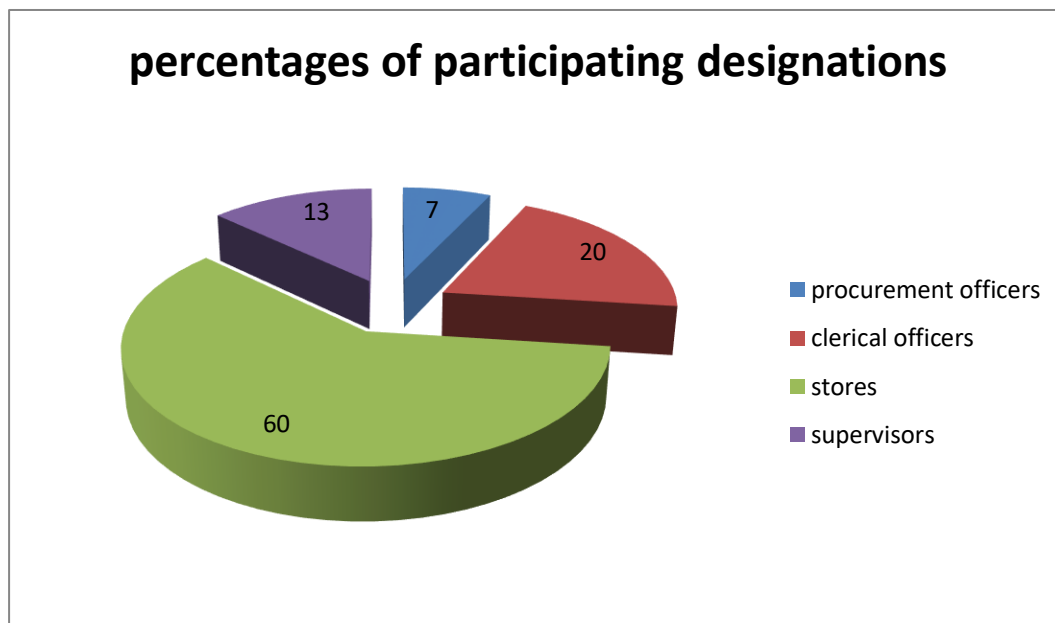
4.3 Response and characterization of the participants

30 people in total took part in the study, resulting in a return rate of 75%. The study draws a comprehensive picture of the situation and evaluation of 40 employees in the procurement department regarding the role of Information Technology for procurement. The participants in the study would be broken down by the section they work for.

Table 4.2 affiliation of the participating designations

Designation	Frequency	%
Procurement officer	2	7
Clerical officer	6	20
Stores	18	60
Supervisor	4	13
Total	30	100

Fig4.2 Sector affiliation of the participating sections.



The fig 4.2 shows the distribution of participating designations according to sector. From the study it was found that the procurement officers were underrepresented with a 7% and the stores is overrepresented with a 60%

Table 4.3 Distribution of Respondents by Age

Age	Frequency	Percentage
25-35 yrs.	2	6
36-45 yrs.	3	10
45-56 yrs.	20	67
More than 57	5	17
Total	30	100

Fig 4.3 shows the Distribution of Respondents by Age.

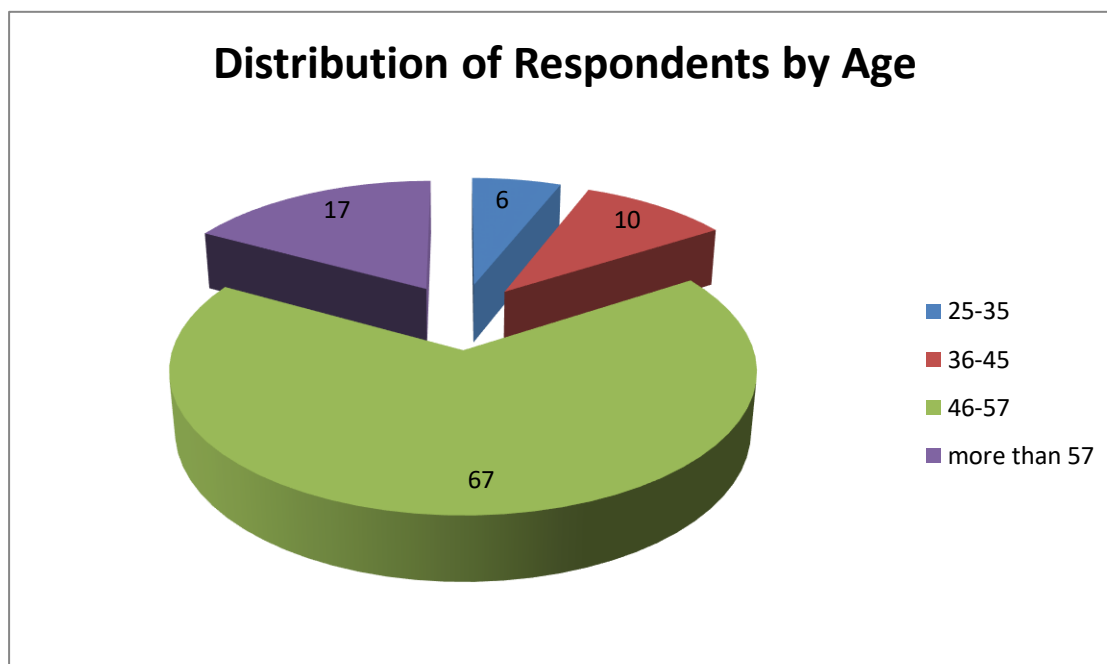


Fig 4.3 from the study shows that majority of the Respondents with 67% are aged between 46-57 years and minority of the Respondents with 6% are aged between 25-35 years.

Table 4.4 shows the Distribution of the Respondents according to the level of education.

Level of Education	Frequency	Percentage
K.C.S.E	0	0
Certificate	3	10
Diploma	20	66
Degree	5	17
Post Graduate	2	7
Total	30	100

Fig 4.4 shows the Distribution of Respondents by Education Qualification.

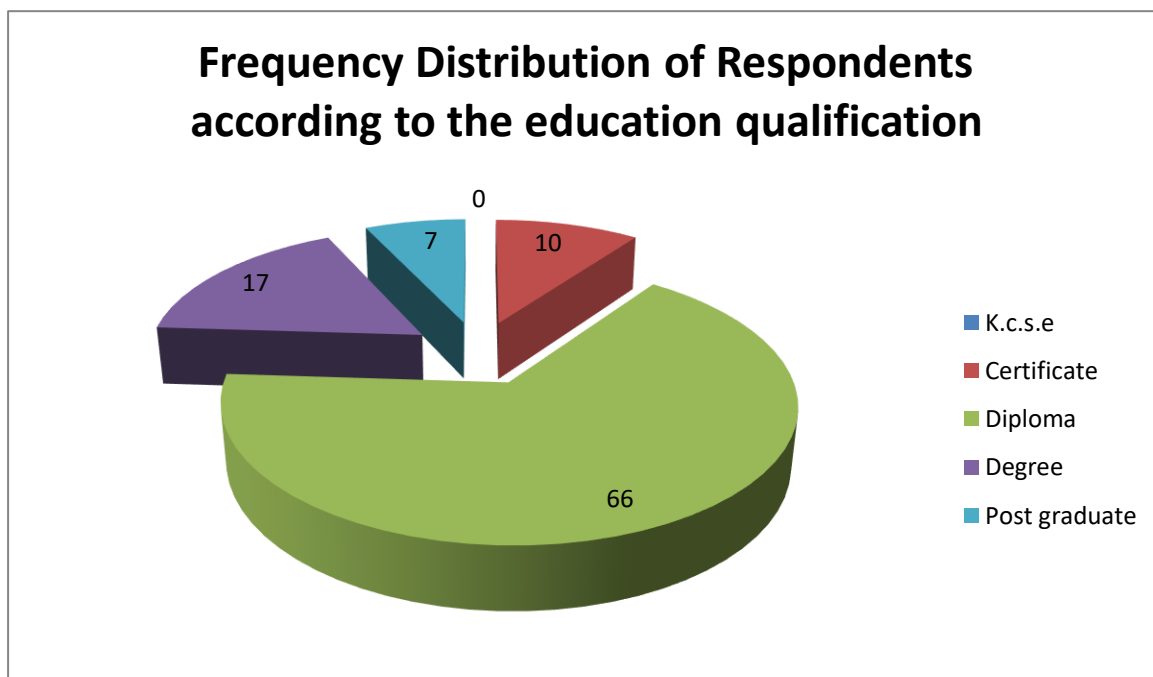
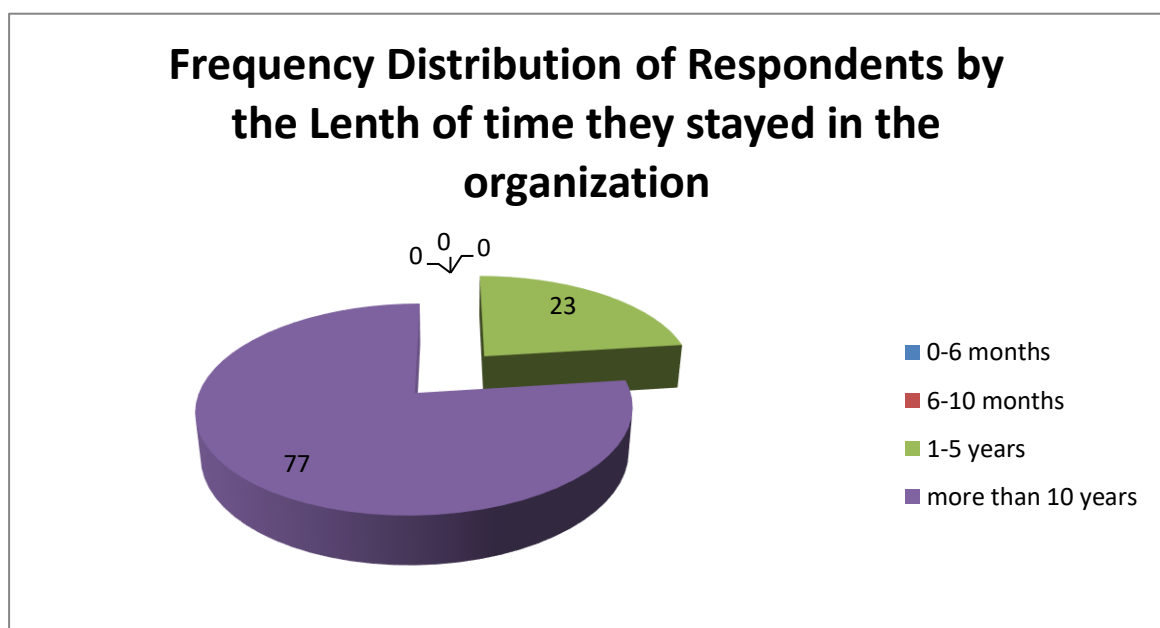


Fig 4.4 from the study shows that majority of the Respondents with 66% education level hold Diplomas and 17% with degrees. The lowest number of Respondents with 7% education level having a post graduate followed by 10% education level with certificates respectively.

Table 4.5 shows the Distribution of Respondents by the length of stay in the Organization.

Time period	Frequency	%
0-6 Months	0	0
6-10 Months	0	0
1-5 years	7	23
More than 10 years	23	77
Total	30	100

Figure 4.5. The Distribution of Respondents by the length of stay in the County Government of Nairobi.



The study found that majority of the Respondents have worked with the organization for more than 10 years giving rise to 77% of the total sample while a few of the respondents have worked with the organization for a period between 1-5 years giving rise to a 23% of the total sample. The study found that there were no respondents who have worked with the organization for a period between 0-6 months and 6-10 months respectively.

4.5 Human Resource competence as a determinant of effective procurement performance in County Government of Nairobi

Statements about the human resource competence as a determinant of effective procurement performance were presented at County Government of Nairobi. They were requested to respond to the statement using a five scale point from ‘strongly disagree to strongly agree’ findings are presented in the table 4.5 below followed with an analysis and interpretations.

Table 4.6 Findings about Human Resource competence as a determinant of effective procurement

Statement	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Employees skill affects how they handle complex organizational procurement processes	0%	11%	0	11%	78%
Adherence to codes of conduct practices by staff is imperative to attain desired procurement performance	78%	0	11%	11%	0
Training improves one's skills and competence on undertaking new technology in procurement management systems	0	56%	11%	0	33%

To proper analyse the results in table 4.5 respondents who strongly agreed and those who agreed were computed to one category of respondents who concurred with the statements and

respondents who strongly disagreed and those who disagreed were computed to one category of respondents who opposed the statements. Thus three proportions of respondents were compared and included, who opposed, not sure and concurred with the statements'. The same procedure was adopted in analysing the results in table 4.6 and 4.7 respectively.

From the first statement in the table, findings show that most respondents opposed (78%) the statement that Employees skill affects how they handle complex organizational procurement processes, compared to those who concurred (11%) while (11%) were not sure .This implies that employees are not competent enough to handle complex procurement processes in the County Government of Nairobi.

From the second statement in the table, findings show that most respondents opposed (78%) the statement that adherence to codes of conduct practices by staff is imperative to attain desired procurement performance, compared to those who concurred (33%) while 11% were not sure. This implies that the parties concerned should proper channels whilst dealing with employees who are not abiding to the code of conduct.

From the third statement in the table, findings show that most respondents opposed (56%) the statement that Training improves one's skills and competence on undertaking new technology in procurement management systems, compared to those who concurred (33%) while (11%) were not sure. This implies that the adoption and implementation of procurement technology in the county Government has not been smooth and the benefit for the move is yet to be realised.

4.4 Resource Allocation as a determinant of effective procurement performance in County Government of Nairobi

Table 4.5 Findings about Resource Allocation as a determinant of effective procurement performance

Statements/Questions	Strongly disagree	disagree	Not sure	Agree	Strongly agree
Strategic Resource allocation affects procurement performance	0	22%	0	78%	0
Presence of adequate human capacity in the procurement department influences overall possible attainable outcomes	0	56%	11%	33%	0
Procurement Allocation policies affects optimal performance of the procurement department	0	67%	11%	22%	0

From the first statement in the table, the findings show that most respondents concurred (78%) with the statement that Strategic Resource allocation affects procurement performance, compared with those that opposed (22%). This implies that the county resource allocation policy is in line to ensure maximisation of key procured resources thus enhancing service delivery.

From the second statement in the table, the findings show that most respondents opposed (56%) with the statement that presence of adequate human capacity in the procurement department influences overall possible attainable outcomes, compared to those who concurred (33%) while 11% were not sure. This implies that county is not staffed with adequate human capacity to effectively carry out procurement practices.

From the third statement in the table, the findings show that most respondents opposed (67%) with the statement that Procurement Allocation policies affects optimal performance of the procurement department, compared to those who concurred (22%) while (11%) were not sure. This implies that procurement allocation policies are not adhered to by the concerned departments in the county government.

4.6 Stakeholder engagement as a determinant of effective procurement performance in County Government of Nairobi

Statements about effect of Stakeholder engagement as a determinant of effective procurement were presented to respondents at County Government of Nairobi, they were requested to respond to the statements using a five scale point from “strongly disagreed to strongly agree” findings are presented in the 4.5 below followed with an analysis and interpretation

Table 4.7 Findings about stakeholder engagement as a determinant of effective procurement performance

Statement	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Supplier engagement during procurement has an effect on overall attainable outcomes	0	11%	22%	11%	56%
Suppliers harmonization	0	11%	0	11%	78%

through electronic sourcing

enables firms to readily identify

new potential suppliers

Customer engagement	0	33%	11%	0	56%
improves procurement performance.					

From the first statement in the table, findings show that most respondents concurred (56%) with the statement that supplier engagement during procurement has an effect on overall attainable outcomes, compared to those who opposed (11%) while (22%) were not sure. This implies that County Government of Nairobi has developed effective supplier relationship management programme that guarantee's attainment of procurement objectives.

From the second statement in the table, findings show that most respondents concurred (78%) with the statement that suppliers harmonization through electronic sourcing enables firms to readily identify new potential suppliers, compared to those who opposed (11%).This implies that the application of e-procurement has facilitated procurement transactions as well as contact negotiations thereby creating efficiency in procurement performance.

From the third statement in the table, findings show that most respondents concurred (56%) with the statement that Customer engagement improves procurement performance, compared to those who opposed (33%) while (11%) were not sure. This implies that the public is satisfied with the service delivery of County Government of Nairobi

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary, conclusion of the study and recommendations for actions and future research directions. It was drawn from the findings and the analysis which were made after conducting the study.

5.2 Summary

This section provides a summary of the key findings in relation to the study objectives of the study.

5.2.1 Human Resource Competence as a determinant of effective procurement performance in County Government of Nairobi

The researcher established that employees are not competent enough to handle complex procurement processes in the County Government of Nairobi as indicated by the respondents, this was clearly elaborated from the findings which showed that majority of the respondents were not in agreement with the issue that Employees skill does not affects how they handle complex organizational procurement processes.

5.2.2 Resource Allocation as a determinant of effective procurement performance in County Government of Nairobi

The findings indicated that the county resource allocation policy is in line to ensure maximisation of key procured resources thus enhancing service delivery, there was a major challenge in respect to public accountability and transparency when public resources are used to acquire goods and services by public entities. Most of the public entities lacked clear accountability on how the resources provided impact on their performance, and hence the policy is significant.

5.2.3 Stakeholder Engagement as a determinant of effective procurement performance in County Government of Nairobi

From the findings majority of the respondents were in agreement that Suppliers harmonization through electronic sourcing enables firms to readily identify new potential suppliers. They interpreted that the application of e-procurement has facilitated procurement transactions as well as contact negotiations thereby creating efficiency in procurement performance.

5.3 Conclusions

On human resource competence the researcher concluded that Staff Competence and Procurement Performance require necessary skills and experience to carry out procurements effectively and that the staff competency influence procurement performance to a large extent in County Government of Nairobi. Procurement staff competency affect procurement performance both for procurement unit and to the whole nation in the sense that experienced staff carry out duties in a professional manner and reduce wastage of resources. Effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process.

On resource allocation the researcher concluded that County Government of Nairobi lacked clear accountability on how the resources provided impact on their performance, and hence went against the fundamental principles of public procurement (value for money spent, accountability, transparency and equity).

On Stakeholder Engagement it was concluded that Top management plays important roles in ensuring that the staffs employed are competent, resources allocations are available, budgets are prepared and adhered to, and staffs are taken for training to increase their knowledge and skills. Suppliers also play a very big role in procurement performance at County Government of Nairobi.

Finally the study objective was met and clear relationship between the variables was determined and tested.

5.4 Recommendations

This study recommends that the County Government of Nairobi should be organizing workshops and trainings for procurement officers in order to improve their skills and knowledge, while employing they should ensure key competencies and experiences are put into consideration. The County Government of Nairobi should also put in place measures to prevent unethical behaviours which is costly to the County.

Early disbursement of funds is also recommended as it leads to completion of project on time. Payment of suppliers on time is also highly recommended so as to ensure steady service delivery.

Filing of project progress report is also advocated as it helps to keep track on the progress of project within the County. The County Government of Nairobi should also come up with adequate oversight over procurement contract management and provide employees with necessary tools and training to support them on contract management responsibilities.

5.5. Suggestion for future research

Further study should be carried out to establish the external determinants influencing procurement performance in other County Governments. Moreover, a study should also be carried out to establish the challenges faced while carrying out procurement process of supplies in both the public and private sector. This study could be further developed by including more independent variables to the model and increasing the sample size.

REFERENCES

- Abdi, A. (2012). "Procurement Practices in Kenya, unpublished MBA Proposal, University of Nairobi".
- Agaba, E., & Shipman, N. (2006). "Public procurement reform in developing countries. The Ugandan experience in piga". *Emerald Journal in Procurement Management* 2(2), 191-209
- Appiah, B. (2010). "Impact of Training on Employee Performance". In unpublished thesis submitted to the Department of Business Administration. Ghana: Achesi University College.
- Banda, E. (2009). "Politics and Economic Consequences". (1st Ed.). Washington D.C.: Center For Study of Responsive Law.
- Barsemoi, H., Mwangagi, P., & Asienyo, B. (2017). "Factors Influencing Procurement Performance in Private Sector in Kenya", *International Journal of Innovation and Applied Studies*, 9(2), 632-641.
- Basheka, B.C. (2009), "Procurement and Local Governance in Uganda: a factor analysis approach, *International Journal of Procurement Management*", 2(2), 191-209.
- Basheka, B. & Bisangabasaija, E. (2010). Determinants of unethical public procurement in local government systems of Uganda: a case study. *Int. J. Procurement Management*, 3(1), 91–104.
- Bryman, A. (2012). *Social Research Methods*, (4th Ed.), Oxford: Oxford University Press.

- De Castro, M. (2006). A Critical Analysis of the Enforcement Mechanism and of the Application of Secondary Policies in Financed Proposals. The World Bank: Procurement Regulations
- Donaldson, T., & Preston, L. (1995). The stakeholder theory of the corporation: concepts, evidence, and implications. *Academy of Management Review*, 20, 65-91
- Frooman, J. (1999). Stakeholder influence strategies. *Academy of Management Review* 24, 191-205
- Frøystad, M., Heggstad, K. K. & Fjeldstad, H. (2010). Linking procurement and political economy. UK Department for International Development and the World Bank Institute.
- Hughes, M. (2005). Evaluation of the Local Government Procurement Agenda - Baseline Survey Report. London: The Office of the Deputy Prime Minister.
- Hui, S., Othman, O., Normah, O., Rahman, A. & Haron, H. (2011). Procurement issues in Malaysia. *International Journal of Public Sector Management*, 24(6), 567-593.
- Johnson, G., & Scholes, K. (2002). *Exploring corporate strategy*, 6th Ed. Europe: Prentice Hall.
- Kabaj, O. (2008). The challenge of African Development. London: Oxford University Press. *European Journal of Business Management*, 1 (11), 361-377.
- Mahmood, I. (2010). Public procurement and corruption in Bangladesh. Confronting the challenges and opportunities. *Journal of public administration and policy research*, 2(6), 103-111.

- Mburu, J. (2012). Factors Inhibiting Implementation of Public Procurement Act (2005) and its Regulations in Kenya (A Case Study of Kajiado North District), Unpublished MBA Proposal, University of Nairobi.
- Mugenda, M.C., & Mugenda, B. E., (2016) Advocacy to promote scientific research, Management Research News, Vol. 32 Iss: 11, pp.1081 – 1089
- Ngari, K. (2012). Effects of Public Procurement and Disposal Act on Procurement in Parastatals in Kenya. Unpublished MBA Proposal, University of Nairobi.
- Newbert, L. (2007). Empirical Research on the Resource-Based View of the Firm: An Assessment and Suggestions for Future Research, Strategic Management Journal, 28(2), 121-146.
- Nyakeri, A., & Ochiri, G. (2017) Factors Affecting Effective Inventory Management in Healthcare Facilities Service Delivery in Kenya: A Case Study of Kenyatta National Hospital (KNH) Nairobi, Kenya European Journal of Business Management, 1 (11), 181-192
- Nyakundi, E., Kombo, C., Omari, R., & Mongare, O. (2012). Challenges Facing Procurement Committees in Implementing the Procurement Act; A Case Study of Secondary Schools Procurement Committees in Kisii County, Kenya. Elixir International Journal 9186-9191
- Odhiambo, W., & Kamau, P. (2003). The integration of developing countries into the world trading system. Public procurement lessons from Kenya, Tanzania and Uganda.

- Singh, H., & Singh, A. (2002). Principles of Complexity and Chaos Theory in Proposal Execution: A New Approach to Management, *Cost Engineering*, 44(12), 33.
- Sultana, A. (2012). Impact of Training and Employee Performance. *Inter-disciplinary Journal of Contemporary Research in Business*, 4 (6), 646-696.
- Thai, V. (2015). Challenges in Public Procurement. In Thai, K. V., et al. (Eds.), *Challenges in Public Procurement: An International Perspective* (pp. 1-20). Academics Press, Boca Raton, Florida, USA.
- Thompson, A., Strickland, J., & Gamble, E. (2007), *Crafting and executing strategy*, 15th Ed. New York: Mcgraw-Hill, Inc

APPENDIX I: LETTER OF INTRODUCTION

University of Africa

School of Business

Nairobi.

Dear Sir/Madam

RE: PERMISSION TO CONDUCT RESEARCH WORK

DAHIRA DAKAT IBRAHIM is a student of Management University of Africa, pursuing a diploma in supply chain management,. She is carrying out an academic research proposal on Factors affecting procurement performance in public organizations: a case study of county government of Nairobi. This proposal is a requirement for the diploma qualification, I therefore, kindly request you to give her a chance to conduct the research in your organization.

The information gathered will be used exclusively for the purpose of this study and shall be kept confidential and use only for academic papers, a copy of the findings will be made available to you on request.

Thank you for your participation and valuable contribution to this research.

Yours sincerely

Management University of Africa.

APPENDIX II: QUESTIONNAIRE

SECTION A: Demographics

1. Gender Male () Female ()
2. For how long have you been working in this Institution?
- Less than 5 years () 5 – 10 years () 11 – 15 years ()
- 16 – 20 years () Over 20 years ()
3. Education level.....
4. Professional Course
- CIPS () KISM ()
- PSM () MSc ()

SECTION B: Staff Competence

5. State your level to the following statements where 1=strongly disagree and 5=strongly agree.

Statement	5	4	3	2	1
Employees skill affects how they handle complex organizational procurement processes					
Adherence to codes of conduct practices by staff is imperative to attain desired procurement performance					
Training improves one's skills and competence on undertaking new technology in procurement management system's					

SECTION C: Resource Allocation

6. State your level to the following statements where 1=strongly disagree and 5=strongly agree.

Statement	5	4	3	2	1
Strategic Resource allocation affects procurement performance					
Presence of adequate human capacity in the procurement department influences overall possible attainable outcomes					
Procurement Allocation policies affects optimal performance of the procurement department					

SECTION D: Stakeholders Engagement

7. State your level to the following statements where 1=strongly disagree and 5=strongly agree.

Statement	5	4	3	2	1
Supplier engagement during procurement has an effect on overall attainable outcomes					
Suppliers harmonization through electronic sourcing enables firms to readily identify new potential suppliers					
Goals and results measurement set by Public engagement leads to a reduction of occurrence of procurement malpractices					
Customer engagement improves procurement performance.					

APPENDIX III: WORK PLAN

Activities	Week 1	Week 2	Week 3&4	Week 5,6,7&8	Week 9	Week 10	Week 11	Week 12
Topic								
Proposal writing/presentation								
Data collection								
Data analysis & report writing								
Project presentation								
Project correction								
Project binding								
Submission								

APPENDIX IV: FINANCIAL BUDGET

Description	Amount
Printing papers	4,000
Photocopy of questionnaire	3600
Typing and report writing	6,400
Internet	4000
Binding proposal 1 set	7500
Transport	10,000
Total	35,500