FACTORS AFFECTING THE ADOPTION OF E-PROCUREMENT SYSTEM IN NON-GOVERNMENTAL ORGANIZATION IN KENYA

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP OF MANAGEMENT UNIVERSITY OF AFRICA

AUGUST 2025

DECLARATION

I would like to declare that this research is my original work with no submissions to external review bodies.

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ODLBML/31/01783/3/23

Name: This research project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

I wholeheartedly dedicate this study to my beloved children, June and Jared, whose unwavering love and inspiration have motivated me to pursue my academic goals with determination and resilience. Their presence has been a constant source of strength throughout this journey.

ACKNOWLEDGEMENT

I want to sincerely thank God for giving me life, strength, and grace so that I could pursue and finish my academic career. To Him belongs all honor and glory. My deepest appreciation goes to my dedicated supervisor, Dr. Paul Machoka, whose unwavering guidance, encouragement, and support were instrumental throughout the research process. I am sincerely thankful to my beloved family for their steadfast belief in me and their continuous support, which has been a pillar of strength. Lastly, I extend my heartfelt thanks to the Management University of Africa for providing me with the room to grow both professionally and academically.

ABSTRACT

This research study investigated the main factors affecting the e-procurement systems adoption within Kenyan Non-Governmental Organizations, with a particular focus on Living Goods. The goal was to evaluate the effects of senior leadership support, operational costs, stakeholder involvement, internal organizational frameworks, and government restrictions on the adoption of digital procurement platforms. The research study was guided by a descriptive research design. Seventy-two Living Goods employees, including members of middle management, support teams, and senior leadership, made up the target population. 54 participants were chosen using a stratified random sample technique to provide equitable representation across various jobs. Data was gathered using structured questionnaires that included both closed-ended and open-ended questions. The investigation employed both qualitative and quantitative methodologies; qualitative insights were conveyed descriptively, while quantitative data was presented via tables, graphs, and charts. Findings revealed that 96% of respondents recognized operational costs as a significant factor in e-procurement adoption, with only 4% dismissing its impact. Top management support emerged as another critical determinant, with 98% affirming its influence. Regarding organizational structure, 63% viewed it as important, while 37% saw no substantial effect. Stakeholder engagement was acknowledged by 78% as a key contributor, although 22% did not consider it influential. Additionally, 82% agreed that government policy plays a role in adoption, whereas 18% disagreed. Based on these insights, the study recommended that NGOs aiming to implement e-procurement systems should allocate sufficient resources for operational needs, secure consistent support from senior leadership, foster active stakeholder participation, adhere to relevant regulatory frameworks, and ensure their internal structures are conducive to digital transformation. Ultimately, the research concluded that five primary factors—government policy, organizational structure, stakeholder involvement, leadership support, and operational costs—significantly shape the adoption of e-procurement systems in Kenyan NGOs.

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LIST OF ABBREVIATIONS / ACCRONYMS

COGS	Costs of Goods Sold
DSS	Decision Support Systems
GDP	Gross Domestic Product
NGO	Non-Governmental Organizations
OER	Operating Expense Ratio
TCT	Transaction Cost Theory
TAM	Technology Acceptance Model
SGA	Selling, General, and administrative expenses
UNHCR	United Nation High Commission for Refugees

OPERATIONAL DEFINITION OF TERMS

Government policy: Encompasses the regulations and guidelines set by authorities or donors that shape procurement practices. These may include laws promoting digital procurement, funding requirements, and compliance standards.

Operational costs: Refers to the ongoing expenses that NGOs incur in managing procurement activities. These costs may include administrative expenses, manual processing inefficiencies, supplier follow-ups, and challenges associated with paper-based systems

Organizational structure: The arrangement of roles, duties, and decision-making power within an NGO, shaping how effectively innovations like e-procurement systems can be adopted and integrated into daily operations (Lee, 2024)

Stakeholders' engagement: Involves the participation of individuals or groups affected by procurement decisions, such as staff, suppliers, donors, and regulators. Active engagement fosters adoption, while lack of involvement can lead to resistance or confusion

Top management support: The extent to which senior leaders provide direction, resources,and encouragement for e-procurement adoption (Teo, 2009). This includes approving budgets, facilitating training, and ensuring departmental coordination.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter establishes the groundwork for the investigation. It describes the research study's history, stating the problem, establishing the research objectives and main questions, and emphasizing the study's importance, it also defines the investigation's parameters and provides a summary at the end.

1.1 Background of the Study

The digital acquisition of products and services needed for an organization's operations is known as electronic procurement, or e-procurement (Beauvallet, 2019). It replaces traditional paper-based methods with electronic systems for processing, publishing, exchanging, and storing procurement information. In practical terms, this means that calls for tenders are published online, documents and specifications are shared digitally, and bids are submitted electronically. This approach streamlines procurement processes, making contract awarding more efficient.

E-procurement brings both tangible and intangible benefits. Tangible advantages include cost savings, reduced inventory levels, and shorter order cycle times, while intangible benefits improve brand reputation and enhance corporate communication.The world continues to see rapid growth in information, communication, and technology. Consumers are increasingly aware of international products and services, fostering stronger global ties, cooperation among nations, and the convergence of cultural perspectives. This has contributed significantly to the expansion of international trade. With e-procurement, organizations can select products from electronic catalogs and place orders directly, often bypassing the procurement department. Across the globe, businesses have embraced supply chain innovations that rely on information systems (Sheng, 2016).

With this shift, suppliers now receive orders directly from users without needing to consult procurement teams for details such as delivery schedules or contractual terms, as this information is already available online. Over time, the internet has transformed the purchasing function, evolving into a complex marketplace with various stakeholders providing business services. Supply chain data integration is becoming increasingly sophisticated.

Recent surveys indicate varying levels of e-procurement adoption. In the UK, many firms remain hesitant to commit to digital procurement. Meanwhile, in Norway, a significant number of businesses have developed e-procurement strategies, although only a fraction have implemented them in a meaningful way. Companies appear more inclined to use e-marketplaces for acquiring subsidiary goods rather than indirect services. Globally, electronic procurement accounts for a substantial share of business transactions and is actively promoted by progressive governments due to its alignment with environmental sustainability and cost-saving measures.

In Africa, donor organizations and NGOs play an important part in sectors such as infrastructure, healthcare, education, and policy development. They operate under diverse procurement models, with significant variations in policies across different donors and NGOs. Many NGOs prefer to work with local subcontractors whenever possible for sourcing services and goods.

Despite its benefits, NGOs face challenges when adopting e-procurement. Suppliers often struggle with complex procedures and a lack of IT expertise to navigate digital transactions. Some NGOs opt to outsource procurement tasks, leveraging modern technologies to enhance cost-efficiency and service quality. This allows outsourcing vendors to achieve a return on investment while ensuring that procurement systems function effectively. Using internet technologies including intranets, extranets, emails, and other digital tools to coordinate transactions, e-procurement has been incorporated into the operations of numerous businesses in Kenya. These days, suppliers offer tracking systems that let clients keep an eye on their orders, follow up as needed, and guarantee on-time delivery (McCormick, 2015). Additionally, e-procurement systems support electronic invoicing and payment tracking, improving overall efficiency.

However, despite the recognized advantages, many organizations in Kenya still face difficulties in fully adopting e-procurement. Only a small percentage of firms have implemented it as a strategic tool to expand their services. Identifying the barriers preventing organizations from transitioning to electronic procurement is essential for maximizing its benefits, particularly within NGOs. Gaining knowledge of these difficulties will help one better understand how to improve procurement methods in order to increase productivity and service quality.

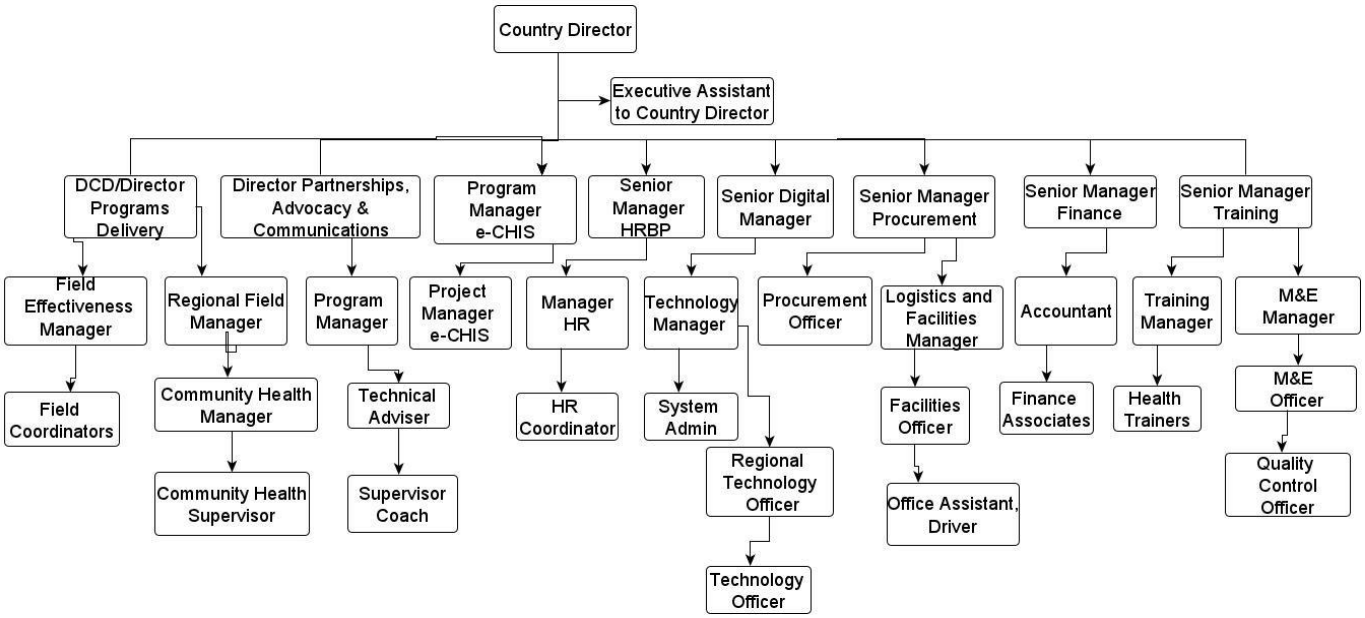
1.1.2 Profile of Living Goods

Living Goods began operations in Kenya in 2013 after successful implementation in Uganda. The organization aims to improve health outcomes by empowering community health workers with digital tools. It operates in Kenya, Uganda, Burkina Faso, and has a presence in the United States.

In Kenya, the organization partners with counties like Kisumu, Isiolo, and Busia, working with over 5,000 community health volunteers (CHVs) and supporting over 50,000 households. It combines mobile technology, data-driven supervision, and quality healthcare products to ensure effective service delivery. CHVs are trained and compensated fairly, which fosters trust and improves their standing in the community.

Living Goods collaborates with governments to drive systemic health improvements, especially for mothers and children. Their long-term goal is to provide scalable, professional, digitally enabled community health services. By 2026, they aim to impact at least 18 million people across five countries and help governments transition to sustainable healthcare models. The organization also promotes diversity, equity, and inclusion, recognizing the value of varied perspectives in achieving health equity.

Living Goods Organisation Structure



Source: Living Goods (2025)

1.2 Statement of the Problem

E-procurement has attracted attention in recent years, a lot of interest due to its potential to improve organizational competitiveness and performance. Innovations in digital supply chains driven by information system applications are being adopted by more businesses globally. One major shift is that suppliers now receive orders directly from users, eliminating the need for procurement teams to manage routine communication regarding delivery dates, terms, and conditions these details are already embedded within the system (Davis, 2018).

The purchase process has undergone a significant transformation thanks to the internet, which has developed into a vibrant marketplace with several trading companies providing a range of commercial services. Organizations can now browse electronic catalogs and place orders independently, reducing delays and improving efficiency. In Kenya, institutions such as UNHCR have leveraged e-procurement to achieve cost reductions, better product quality, improved customer satisfaction, and a stronger competitive edge (Sheng, 2016). Additionally, e-procurement systems help integrate supply chains more effectively, allowing organizations to track transactions seamlessly and access procurement data with greater accuracy.

Despite advancements in enterprise resource planning (ERP) software, many firms still struggle with fully integrating their supply chain data. While ERP applications are widely

promoted for purchasing functions, they are often limited to acquiring office supplies rather than broader categories of goods and services. A UK-based survey on procurement practices revealed that many businesses still rely on manual processes rather than transitioning to e-procurement solutions.

In organizations like Living Goods, procurement remains largely manual, leading to inefficiencies and missed opportunities for cost savings. Without an automated system, transaction processing is slow, competitive advantages are limited, and pricing strategies lack optimization. Implementing an interconnected e-procurement system would streamline operations, ensure standardized transactions, and enhance tracking capabilities. By digitizing procurement workflows, businesses can make better-informed purchasing decisions and achieve long-term financial benefits (Koech, 2020).

The purpose of this study is to investigate the main elements affecting the adoption of e-procurement and suggest a tactical set of solutions that would allow businesses to successfully adopt it.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of carrying out the study is to find out the factors affecting the adoption of e-procurement systems in Non-Governmental Organisations in Kenya.

1.3.2 Specific Objectives

i. To find out the effect of operational costs on the adoption of e-procurement in Non-Governmental Organisations in Kenya

ii. To assess the effect of top management support on the adoption of e-procurement in Non-Governmental Organisations in Kenya

iii. To examine the effect organizational structure on the adoption of e-procurement in Non-Governmental Organisations in Kenya

iv. To determine the effect stakeholder engagement on the adoption of e-procurement in Non-Governmental Organisations in Kenya

v. To find out the effect government policy on the adoption of e-procurement in Non-Governmental Organisations in Kenya

1.4 Research Questions

i. To what extend does operational cost affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

ii. How does top management support affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

iii. What the effect organizational structure on the adoption of e-procurement in Non-Governmental Organisations in Kenya?

iv. How does stakeholder engagement affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

v. What is the effect of government policy on the adoption of e-procurement in Non-Governmental Organisations in Kenya?

1.5 Significance of the Study

The research findings will be very beneficial to Living Goods' management. Top management will be able to comprehend the factors influencing the adoption of e-procurement systems, as well as the significance and benefits of doing so, which will be useful for the operation of the company. Time and expense are significantly reduced when e-procurement is implemented. As mentioned, e-procurement is a very broad phenomena that may be used to restructure the entire sourcing and procurement process as well as to create strategic initiatives.

Other Organizations-the results of the study will give other businesses the chance to learn more about the elements that influence the adoption of e-procurement systems and the most effective strategies for enhancing their own procurement systems. Other organizations can implement the main lessons learned from the research study by examining the factors used in the study. Supply chain professionals and procurement academics-The research will help academics, researchers, and supply chain professionals since it will provide them with important new information that will enhance their work on e-procurement. The shortcomings that were not addressed in the research study can be improved by future investigations.

1.6 Scope of the Study

The research study's main aim is to determine the obstacles preventing NGOs in Kenya from using e-procurement systems with Living Goods serving as the case study. Located in

Kileleshwa, Nairobi, the organization has 72 employees, out of which 54 from different management levels will be sampled. The study will be conducted over three months, from May to August 2025.

1.7 Chapter Summary

The summary of the research is given in this chapter, together with information on the study's history, issue statement, goals, research questions, significance, and scope. Relevant research on e-procurement systems and their uptake in NGOs will be reviewed in the upcoming chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The main theoretical and empirical literature is reviewed in this chapter, along with research gaps, the conceptual framework, the variables to be measured, and a summary at the end.

2.1 Theoretical Literature Review

2.1.1 Transaction Cost Theory

Ronald Coase first proposed the Transaction Cost Theory (TCT), which Oliver Williamson later expanded upon. It provides a useful viewpoint on how operational costs affect NGOs' adoption of e-procurement systems. At its core, TCT argues that organizations seek to minimize the costs associated with transactions—such as supplier identification, contract negotiations, record management, and compliance oversight. These costs can add up significantly, making procurement processes cumbersome and inefficient.

Traditional procurement methods within NGOs are often weighed down by paperwork, bureaucratic delays, and manual data entry, leading to increased operational expenses. In contrast, e-procurement streamlines these processes, eliminating unnecessary paperwork, automating workflows, and reducing human error. Tasks like purchase requisitions, bid evaluations, order approvals, and invoice processing become faster, more transparent, and cost-effective. TCT suggests that if the long-term financial benefits—such as lower transaction costs and enhanced efficiency—outweigh the initial investment in procurement software, training, and system integration, organizations are more likely to embrace e-procurement solutions (Beauvallet, 2019).

However, the transition isn’t always straightforward. NGOs often operate under strict budget constraints, making the upfront costs of e-procurement a significant hurdle. Expenses related to software licensing, platform customization, IT infrastructure upgrades, and staff training can deter immediate adoption, even when the long-term benefits are clear. The decision is further complicated by the need for careful planning and financial resources to integrate an e-procurement system into current Enterprise Resource Planning (ERP) frameworks (Elliot, 2019).

Despite these challenges, TCT highlights that cost considerations can act as both an obstacle and a catalyst in the adoption process. If NGOs recognize that investing in e-procurement leads to greater transparency, improved accountability, and sustainable cost reductions, they are more likely to move forward with implementation. Ultimately, this theory provides a useful framework for understanding why some organizations hesitate to transition to digital procurement systems, while others see it as a necessary step toward enhancing efficiency and achieving long-term financial sustainability.

2.1.2 Technology Acceptance Model

An understandable framework for comprehending how individuals and organizations react to new technology is offered by the Technology Acceptance Model (TAM). At its core, the model revolves around two key factors: perceived usefulness how beneficial the technology is for improving efficiency and perceived ease of use how simple it is to learn and apply. These two elements influence an individual's willingness to adopt a technology, which ultimately determines how widely it is used within an organization.

When it comes to e-procurement adoption in NGOs, top management plays a crucial role in shaping attitudes and driving strategic decisions (Graham, 2019). Leaders who recognize e-procurement as a tool for enhancing operational efficiency, ensuring compliance, and boosting transparency tend to push for its adoption. Their support is evident through actions such as funding staff training, creating clear procurement policies, integrating digital procurement into long-term planning, and ensuring teams have the necessary resources to transition smoothly. However, when executives perceive e-procurement as overly complex, costly, or disruptive to existing workflows, employee enthusiasm for the system declines.

TAM emphasizes that leadership endorsement significantly influences employees' acceptance of new technology. In NGOs, resistance to change is often high, making the support of senior management crucial to cultivating an adaptable culture. When leaders demonstrate confidence in e-procurement and facilitate early wins—such as faster approvals or improved donor compliance—employees are more likely to embrace the system (Elliot, 2019). Through this lens, TAM highlights how leadership perception directly impacts the success of e-procurement adoption, reinforcing that executive involvement is key to ensuring a smooth transition to digital procurement solutions.

2.1.3 Contingency Theory

Lawrence and Lorsch , asserts that there is no universal approach to structuring an organization. Instead, the most effective organizational model depends on various internal and external factors. This theory is particularly relevant to NGOs in Kenya, where operational frameworks are influenced by donor requirements, regulatory policies, geographical scope, and program objectives (Dawn H. P., 2018). When applied to e-procurement adoption, Contingency Theory helps explain how an organization's structure can either support or hinder the integration of digital procurement systems.

NGOs typically operate under centralized, decentralized, or hybrid procurement models. A centralized structure promotes standardization and streamlined decision-making, which can enhance procurement efficiency and regulatory compliance. However, it may also create bottlenecks, delaying responsiveness to procurement needs, particularly in regional field offices. In contrast, a decentralized model allows greater autonomy for local offices, enabling them to respond quickly to procurement demands. While this flexibility supports operational efficiency, it can lead to inconsistencies in procurement practices, making regulatory monitoring and compliance enforcement more complex (Wamba, 2019).

E-procurement systems function best when organizational structures enable clear communication, efficient approval hierarchies, and interdepartmental coordination. NGOs with adaptable frameworks and well-defined procurement roles are more likely to implement digital solutions successfully. Those with rigid bureaucratic structures, however, may struggle with slow decision-making, resistance to change, and complex approval workflows, which can impede the transition to e-procurement.

Contingency Theory underscores the importance of aligning technology adoption with organizational realities. For instance, an NGO with operations across multiple regions may benefit from a flexible procurement system that allows local offices to manage purchases within a shared digital platform, improving efficiency and responsiveness. In contrast, organizations with highly hierarchical decision-making structures may experience delays in system implementation and staff adaptation.

Ultimately, this theory highlights that e-procurement adoption in NGOs depends on the organization's ability to align its structure with the needs of digital transformation. By fostering responsive, well-integrated procurement frameworks, NGOs can maximize efficiency, ensure compliance, and successfully transition to e-procurement systems.

2.1.4 Stakeholder Theory

Introduced by Edward Freeman highlights the significance of engaging all parties affected by an organization's decisions and operations. This perspective is particularly relevant to NGOs, where procurement choices influence a broad network of stakeholders, including internal teams, suppliers, donors, regulators, and beneficiaries. Making sure that the interests, expectations, and capabilities of these stakeholders are in line during the transition is essential to the effective implementation of an e-procurement system (Dooley, 2021).

A well-executed e-procurement implementation involves active stakeholder participation at every stage—from system design and selection to training, deployment, and ongoing monitoring. Procurement officers, finance teams, and program managers need to be involved early to ensure the system integrates seamlessly with daily workflows. Their feedback on usability and functionality is crucial in tailoring the system to operational needs. Supplier participation is equally essential, as vendors must be prepared to engage with digital platforms for online bidding, electronic invoicing, and automated compliance processes. Without adequate supplier readiness, even the most advanced e-procurement system may fail to deliver the intended efficiency and effectiveness (Venkatesh, 2013).

Donors also play a critical role in influencing procurement standards. Many demand high levels of transparency, traceability, and auditability, often requiring NGOs to adopt e-procurement tools as part of funding agreements. Early engagement with donors during system planning helps align procurement objectives with funding expectations, ensuring compliance and accountability. Additionally, government regulators enforce procurement policies that guide NGOs in maintaining ethical and legally compliant procurement practices. Many of these regulations are supported by e-procurement features such as digital audit trails, automated approval processes, and real-time tracking.

Ultimately, beneficiaries while not direct participants in procurement experience the indirect benefits of faster, more transparent, and cost-efficient procurement, ensuring timely access to essential goods and services. Stakeholder Theory underscores the importance of collaboration and inclusivity in technological transitions. Without meaningful engagement, organizations risk resistance, mistrust, and incomplete adoption, which can undermine the potential of e-procurement systems. Therefore, stakeholder involvement is not merely an operational requirement it is a strategic necessity for ensuring the success and sustainability of e-procurement adoption in NGOs (Graham, 2019).

2.1.5 Institutional Theory

Institutional Theory, as developed by DiMaggio and Powell (1983), explains how organizations adapt to external pressures, including regulatory requirements, industry norms, and competitive influences. NGOs, particularly those operating within heavily regulated environments or dependent on donor funding, encounter three key forms of institutional pressure: coercive, stemming from legal and policy mandates; normative, driven by professional standards and best practices; and mimetic, arising from the tendency to replicate the successful strategies of peer organizations. In Kenya, government policies have a profound impact on NGO procurement, with increasing emphasis on transparency, accountability, and compliance to ensure ethical and efficient resource management (Koech, 2020).

For many NGOs, government regulations and donor expectations act as both a push and a pull toward e-procurement adoption. The use of computerized procurement systems is specifically encouraged under the Kenyan Public Procurement and Asset Disposal Act, aiming to foster open competition and traceable transactions. NGOs that collaborate with government agencies or receive public funds often face coercive pressure to integrate e-procurement into their operations to remain compliant. Meanwhile, large international NGOs that have successfully implemented e-procurement establish normative benchmarks, influencing local NGOs to follow suit in order to remain competitive and maintain credibility within donor networks.

Beyond efficiency, Institutional Theory suggests that NGOs adopt e-procurement as a strategy for legitimacy. By aligning their procurement systems with widely accepted practices, organizations reinforce their professionalism and trustworthiness, which can strengthen donor relationships and open doors to future funding opportunities. However, institutional conformity also presents challenges—such as technical capacity constraints, system integration hurdles, and resistance to change within organizations. NGOs lacking the necessary infrastructure or expertise may struggle to meet policy requirements, despite recognizing the long-term benefits of e-procurement.

Institutional Theory highlights the complex interplay between regulatory obligations, industry expectations, and organizational decision-making, showing that NGOs must not only comply with external pressures but also build internal capacity to fully realize the advantages of e-procurement. A balanced approach of combining adherence to regulations with tailored capacity-building efforts can help NGOs achieve sustainable and effective procurement transformation in the evolving digital landscape.

2.2 Empirical Literature review

2.2.1 Operational Cost

Operating costs are the ongoing expenses that businesses incur in their daily operations. These costs cover both direct costs, such as materials and production-related expenses, as well as general overheads like rent, equipment, inventory management, marketing, payroll, and insurance (S., 2017). Organizations closely track these expenditures through their financial records to evaluate efficiency and profitability.

Implementing e-procurement systems can help businesses significantly reduce transaction costs by ensuring that suppliers consistently meet quality standards and procurement requirements. By automating procurement processes, organizations can minimize quality control issues, prevent costly mistakes in product selection, and reduce supplier-related complaints. Additionally, e-procurement enhances internal efficiency by streamlining procurement workflows and promoting product standardization, which reduces unnecessary variations in components and simplifies supplier management.

Many organizations turn to e-procurement to improve contract management, enhance transparency, and achieve cost savings. In the public sector, e-procurement adoption has been growing rapidly as governments recognize its ability to increase efficiency and ensure accountability in procurement processes (Graham, 2019). Some jurisdictions have mandated digital bidding systems, making procurement more accessible and standardized across regions. E-procurement platforms enable organizations to manage tenders online, improving participation and reducing administrative burdens.

While cutting operating costs can help businesses improve short-term profitability, excessive cost reductions can negatively impact productivity and long-term revenue. For instance, reducing advertising expenses may boost immediate profits but could also limit brand visibility, affecting future sales. Businesses must balance cost-cutting measures with strategic investments to sustain growth.

Although operating costs do not typically include capital expenditures, they cover a broad range of expenses such as legal and accounting fees, travel costs, entertainment expenses, and marketing efforts. These costs directly impact an organization's profitability, with higher operational costs generally leading to increased revenues and lower costs potentially reducing productivity. Businesses must regularly review these expenditures to optimize their financial

performance while avoiding excessive cutbacks that might compromise operational effectiveness.

Operating expenses play a crucial role in assessing an organization's efficiency in managing costs and inventory. They indicate the level of spending required to generate revenue, allowing businesses to evaluate their financial health compared to competitors. If a company's operating expenses are significantly higher as a percentage of sales, it may signal inefficiencies in resource utilization. By analyzing these expenses, businesses can refine strategies to improve financial performance and sustainability.

E-procurement offers several advantages, including cost savings, improved efficiency, and simplified data management. By automating procurement processes, businesses can reduce costs and enhance operational speed. E-procurement is more than just a digital system—it represents a strategic shift that transforms traditional purchasing methods to optimize resource allocation, eliminate redundancies, and support long-term business goals.

Operating expenses commonly include supplies, advertising, administrative costs, wages, rent, and utilities. However, they differ from capital expenditures, which involve long-term asset investments such as purchasing equipment. While capital expenditures cover items used over multiple years, operating expenses relate to ongoing costs required for business functionality. For example, acquiring new machinery qualifies as a capital expenditure, whereas its maintenance falls under operating expenses.

Managing operating expenses effectively is crucial for maintaining profitability. Businesses often scrutinize these costs to identify areas for improvement, such as outsourcing certain functions or implementing automation technologies. Reducing unnecessary expenses—like leasing large office spaces or excessive labor costs—can enhance financial stability. At the same time, organizations must recognize that cutting operational expenses too aggressively may reduce efficiency and affect long-term success (Dawn H. P., 2018).

Operating expenses and the cost of goods sold are recorded separately on financial statements, as production costs directly relate to manufacturing processes while operating expenses cover day-to-day business functions. Companies use financial ratios to assess their cost efficiency, such as the operating expense ratio (OER), which compares operational spending to revenue generation. Maintaining a low OER allows businesses to allocate more income toward growth rather than operational upkeep.

2.2.2 Top Management Support

Support from top management is essential for determining an organization's course, guaranteeing alignment with strategic objectives, and promoting innovation in fields like the adoption of e-procurement (Cook, 2019). It involves dedicating time and resources, evaluating plans, monitoring progress, and addressing challenges related to integrating information and communication technology (ICT) into business processes. When leadership actively supports digital transformation, it fosters efficiency and organizational growth.

Modern management support systems are essential tools that help executives make informed decisions by analyzing both internal and external data. These systems enable top managers to strategize effectively using structured data insights, selecting relevant analytical tools for decision-making. By leveraging data-driven approaches, management can optimize procurement processes, reduce costs, and increase transparency.

There are three primary types of management support systems, first is the Executive Information Systems (EIS) secondly is the Decision Support Systems (DSS), and finally the Expert Systems. assists managers in improving decision-making through interactive tools and real-time data, helping them refine strategies dynamically. EIS provides top executives with comprehensive performance insights, ensuring leadership maintains oversight of key business functions. Expert Systems, meanwhile, use AI-driven algorithms to automate complex decision-making tasks, offering guidance based on predictive analytics (Gunasekaran, 2017).

Leadership extends beyond overseeing operations it sets the tone for workplace culture, collaboration, and employee engagement. A strong and supportive management team fosters a setting where workers feel appreciated, inspired, and equipped to make significant contributions to the success of the company. When top management actively listens to staff and communicates openly, employees are more likely to work towards shared goals and embrace innovation.

Corporate policies and organizational culture often originate at the highest levels of management. A culture that encourages creativity, innovation, and transparency can drive an organization’s long-term success. Conversely, rigid and restrictive environments can stifle employee motivation and prevent companies from adapting to changing business landscapes. Empowered employees, backed by leadership support, engage more proactively in their roles, contributing innovative ideas without hesitation.

For a company to achieve its strategic goals, top management must ensure alignment across all levels of the organization. Employees need a clear understanding of the company's vision, objectives, and future direction to see how their individual efforts contribute to broader strategic initiatives. When leadership actively communicates these priorities, employees feel more connected to the organization's mission, driving performance and commitment.

A management team that supports staff and understands their needs is far more equipped to steer the company toward success. Leaders who engage, inspire, and remain transparent build trust within the organization, motivating employees to perform at their best. Establishing open communication channels and ensuring consistent transparency strengthens employee morale and enhances overall productivity (Crook, 2018).

Gaining upper management support is essential when implementing significant organizational changes, such as e-procurement adoption. Executives serve as decision-makers and gatekeepers, approving major shifts in procurement policies and digital transformation strategies. Organizations that approach e-procurement strategically typically have a defined digital procurement roadmap, ensuring alignment between procurement innovation and overall business objectives.

Leadership commitment is critical in shaping corporate goals, fostering engagement, and driving successful technology adoption. Factors such as budget allocation, strong central governance, and employee training significantly impact the integration of new procurement systems. If top management fails to provide clear direction, sufficient resources, and structured policies, e-procurement adoption may struggle to succeed (Beauvallet, 2019). Without leadership backing, implementation efforts risk delays, inefficiencies, or failure.

Top management plays an integral role in shaping corporate priorities, driving technological adoption, and cultivating a culture of innovation. Their involvement ensures that organizational strategies, policies, and employee initiatives align effectively, supporting long-term success and sustainability.

2.2.3 Organizational structure

Organizational structure refers to a framework that defines how tasks, responsibilities, and decision-making processes are organized within a company. It shapes how information flows between different levels of management, ensuring that employees understand their roles and responsibilities (Davis, 2018). Organizations often follow either centralized or decentralized

models. In centralized setups, decision-making is concentrated at the top, with directives flowing down from senior leadership. In contrast, decentralized structures empower different levels or departments to make decisions independently, promoting autonomy throughout the organization. A well-defined organizational structure enhances efficiency and keeps the business focused on its objectives.

The structure, policies, and size of an organization significantly influence its readiness to adopt new technologies like e-procurement. A strong organizational structure provides clarity by outlining employees' roles and how they interact within the system. Without a formal structure, businesses may struggle with uncertainty, inefficiency, and unclear responsibilities, making it difficult to integrate e-procurement seamlessly. A clear hierarchy ensures that departments function cohesively, improving productivity and streamlining procurement operations.

Organizational policies, including procurement policies, establish the rules and regulations guiding how resources are acquired. An organization’s structure directly affects how technologies are adopted it determines how tasks are allocated, how decisions are made, and how coordination takes place. A supportive organizational structure encourages innovation, making it easier to integrate digital procurement solutions into daily operations (Sheng, 2016)

Different organizations require different structures, with some opting for a decentralized model, where decision-making is distributed across teams, while others prefer a top-down, mechanistic structure with strict controls. A one-size-fits-all strategy does not exist, as the best structure depends on the organization’s industry, goals, and operational needs. Senior leadership must carefully consider which approach best aligns with their company’s procurement strategies and technological adoption goals.

Organizational configurations can shape how employees behave and how effectively business functions are executed. Functional structures, often hierarchical, promote stability and predictability but may limit flexibility and innovation. On the other hand, team-based structures foster agility, encouraging employees to collaborate and take initiative, which is crucial for technology-driven processes like e-procurement. By allowing for autonomy, organizations can improve efficiency and drive digital transformation more effectively.

For companies with diverse product lines, multiple locations, or varying client needs, structuring operations into separate divisions can promote specialization and improve resource allocation. Each division operates as a semi-autonomous business unit, giving managers the flexibility to make procurement decisions tailored to their unique needs.

Beyond internal processes, organizational structures influence decision-making power, determining who gets to participate in procurement approvals and strategic decisions. A well-structured organization ensures that standard operating procedures, compliance mechanisms, and transparency are embedded in procurement activities, making e-procurement adoption more seamless and effective.

Historically, theorists like Taylor, Fayol, and Weber have emphasized the importance of structure in driving efficiency and effectiveness. They argued that organizational frameworks should be designed intentionally, ensuring alignment between business goals and operational realities.

Bureaucratic structures, characterized by hierarchical decision-making and formalized processes, can be beneficial for large or complex organizations that require standardization and consistency. However, rigid bureaucratic models can slow down innovation and hinder the agility required for modern procurement solutions. In contrast, organic structures which adapt dynamically to changing business environments allow organizations to evolve and effectively integrate e-procurement tools into their workflows (Gioconda, 2019).

E-procurement plays a transformative role in reshaping organizational structures and workplace practices. A flexible approach to procurement enables organizations to accommodate stakeholder needs, providing customized training for procurement teams and ongoing system improvements. When properly implemented, e-procurement enhances efficiency, transparency, cost savings, and productivity, contributing to broader economic benefits such as organizational simplification and GDP growth.

By recognizing the importance of organizational structure in technology adoption, companies can optimize procurement processes, ensure smooth transitions, and create more agile, efficient procurement systems. Successful e-procurement adoption requires strong leadership, well-defined structures, clear policies, and continuous stakeholder engagement to maximize its impact.

2.2.4 Stakeholder Engagement

This is the process of actively interacting with and involving individuals or groups that have a direct or indirect impact on an organization's decisions, strategies, and outcomes (Attanasio, 2022). By understanding stakeholders' concerns, expectations, and priorities, organizations can enhance their communication, refine their approaches, and strengthen relationships that

contribute to long-term success. Effective engagement fosters trust, improves brand reputation, and ensures alignment between business objectives and stakeholder interests.

Stakeholder engagement serves as a critical accountability mechanism, requiring organizations to acknowledge, respond to, and address concerns related to sustainability, governance, and strategic decision-making. It encourages transparency and responsiveness, ultimately driving innovation and adaptation in a rapidly evolving business environment. When organizations actively listen and collaborate with their stakeholders, they can identify risks and opportunities, make informed decisions, and build stronger partnerships.

Stakeholders can be broadly categorized into internal and external groups, each with varying degrees of influence. Executive team, employees and board members are examples of internal stakeholders, while customers, suppliers, funders, regulators, community organizations, and legislators are examples of external stakeholders.

Since these groups often have diverse and sometimes conflicting interests, effective stakeholder engagement ensures balanced decision-making that considers multiple perspectives (Kujala, 2022).

Various stakeholders contribute differently to a project or organization based on their knowledge, influence, and investment. For example, local communities may be directly impacted by an organization's environmental or social activities, whereas international stakeholders might engage from afar to express concerns or provide input. Government regulators, industry leaders, and professional associations are crucial in aligning policies that organizations must adhere to, making stakeholder interactions essential for compliance and operational efficiency.

For stakeholder engagement to be purposeful and effective, organizations must first define their objectives. Whether improving long-term strategy, addressing operational inefficiencies, or building trust-based relationships, engagement should align with organizational priorities. Establishing a structured engagement framework helps in identifying relevant stakeholders, selecting appropriate engagement methods, and adapting interactions over time to deepen relationships.

To ensure that engagement efforts drive meaningful outcomes, organizations must implement monitoring and evaluation mechanisms. Assessing the quality and effectiveness of engagement activities allows organizations to refine their strategies, improve communication, and align

initiatives with evolving stakeholder needs. A strong stakeholder engagement model enhances organizational resilience by continuously adapting to stakeholder feedback and fostering positive relationships.

Regular stakeholder interaction is essential for organizations to remain competitive and relevant (Attanasio, 2022). An effective engagement model enables businesses to anticipate stakeholder concerns, adapt strategies accordingly, and build trust with key groups. While executives and managers are often aware of their primary stakeholders, formalizing clear engagement processes ensures a more structured approach to stakeholder collaboration.

A strong stakeholder engagement policy should define its scope, objectives, ownership, and governance structure. The policy should outline stakeholder identification methods, communication frameworks, and assurance mechanisms that validate the integrity of engagement efforts. Ensuring accountability through a combined assurance approach strengthens governance and credibility.

By maintaining transparent, adaptive, and inclusive engagement practices, organizations can navigate challenges, foster collaboration, and drive long-term value for all involved stakeholders. Effective engagement is a strategy for sustainable growth and impact but not a requirement.

2.2.5 Government Policy

Government policy serves as a foundational framework for shaping societal and economic change. It influences key aspects of daily life, including tax regulations, immigration laws, pensions, business operations, and education policies (Noreen, 2022). While policies aim to be non-discriminatory, their implementation often affects specific groups differently. Although they are not laws, policies frequently pave the way for legal reforms and regulatory structures designed to improve governance and public welfare.

Beyond guiding social and economic systems, government policies are important in promoting e-procurement adoption. Through trade regulations, subsidies, and procurement laws, governments create incentives for organizations to streamline their purchasing processes and embrace digital solutions. However, policy changes must be carefully assessed to ensure they enhance efficiency rather than introduce unnecessary complexities. A well-crafted policy not only outlines guidelines but also establishes procedures and protocols to facilitate compliance and execution.

Government policies have a direct impact on business environments, influencing factors such as interest rates, inflation, tax incentives, and trade regulations. High interest rates increase borrowing costs, discouraging business expansion, while lower rates attract investment and stimulate production. Fiscal policies, including tax adjustments, licensing requirements, and import-export regulations, shape the economic landscape in which businesses operate. Increased government spending often leads to higher taxation or borrowing, which can affect private sector growth by reducing available capital for investments (Igogo, 2023).

For organizations, adapting to government-mandated policies and regulations is essential for long-term success. Businesses must remain agile and responsive to policy shifts, whether they involve taxation, subsidies, or trade duties. Excessive taxation can deter investment in certain sectors, while tax exemptions can encourage growth and innovation. Additionally, political stability plays a key role in business expansion and foreign investment, making procurement decisions easier in well-regulated environments. In contrast, unstable political conditions often create uncertainty, hampering the adoption of e-procurement systems and disrupting market efficiency.

Beyond financial implications, public policy affects strategic business planning. Companies must dedicate resources to comply with regulations, a process that can sometimes be costly and time-consuming. While ineffective regulations can burden organizations unnecessarily, well-structured policies promote business stability, transparency, and sustainable growth.

Given the profound effect of government intervention on business operations, organizations must stay informed and engage with policymakers to shape regulatory frameworks in ways that align with their interests. By understanding how government policies impact operations, companies can strategically implement e-procurement solutions, comply with regulations, and optimize procurement efficiency (Aminah, 2018).

2.3 Summary and Research gaps

The empirical literature confirms that operational costs play a significant role in determining whether NGOs adopt e-procurement systems. These systems have the potential to streamline processes, enhance supplier performance, and improve contract management, ultimately reducing costs. However, NGOs, particularly those operating in resource-limited environments, often struggle to balance the initial implementation expenses with long-term financial benefits. Research is lacking on how NGOs in Kenya quantify and justify e-

procurement's financial feasibility, especially given donor budget constraints and limited ICT investment capacity.

For e-procurement to be successfully adopted, top management support is essential. While data-driven strategies are made possible by decision-support technologies like DSS and EIS, execution is influenced by leadership engagement, policy direction, and budget allocation. Nevertheless, there is a dearth of empirical data about the effects of varied leadership commitment levels on adoption in Kenya across various NGO sizes and organizational structures. More research is needed to explore how leadership behavior, training initiatives, and decision-making processes shape technology uptake.

The organizational structure also plays a crucial role in e-procurement success, as it dictates responsibilities, decision-making authority, and communication flow. A flexible and well-defined structure enhances efficiency, but few studies have examined how centralized, decentralized, or hybrid structures specifically affect e-procurement adoption in Kenyan NGOs. Understanding how different structural models influence procurement effectiveness—especially in organizations with multiple field offices and donor mandates—remains an unresolved research gap.

Stakeholder engagement is essential for effective e-procurement, involving collaboration between staff, suppliers, donors, and regulators. Their participation fosters transparency, trust, and process improvements. However, there is limited empirical research on how NGOs actively engage stakeholdersparticularly suppliers and beneficiaries during e-procurement adoption. The gap lies in understanding stakeholder mapping, capacity-building strategies, and effective communication methods used by Kenyan NGOs in this context.

Finally, government policy significantly influences e-procurement adoption, with regulations aimed at enhancing transparency and accountability. However, challenges arise due to inconsistent enforcement, limited awareness, and inadequate technical support. The literature does not sufficiently address how Kenyan NGOs respond to government-driven e-procurement policies or comply with regulatory requirements. Further research is needed to assess policy alignment, compliance strategies, and institutional readiness within the sector.

2.4 Conceptual Framework

Whether in text or graphics, a conceptual framework is an organized method of demonstrating the expected relationship between various factors (Rocco, 2019). Variables refer to the key

attributes or factors being examined in a study. Typically, the conceptual framework is shaped by reviewing existing research and theories related to the subject, providing a foundation for understanding how these elements interact.

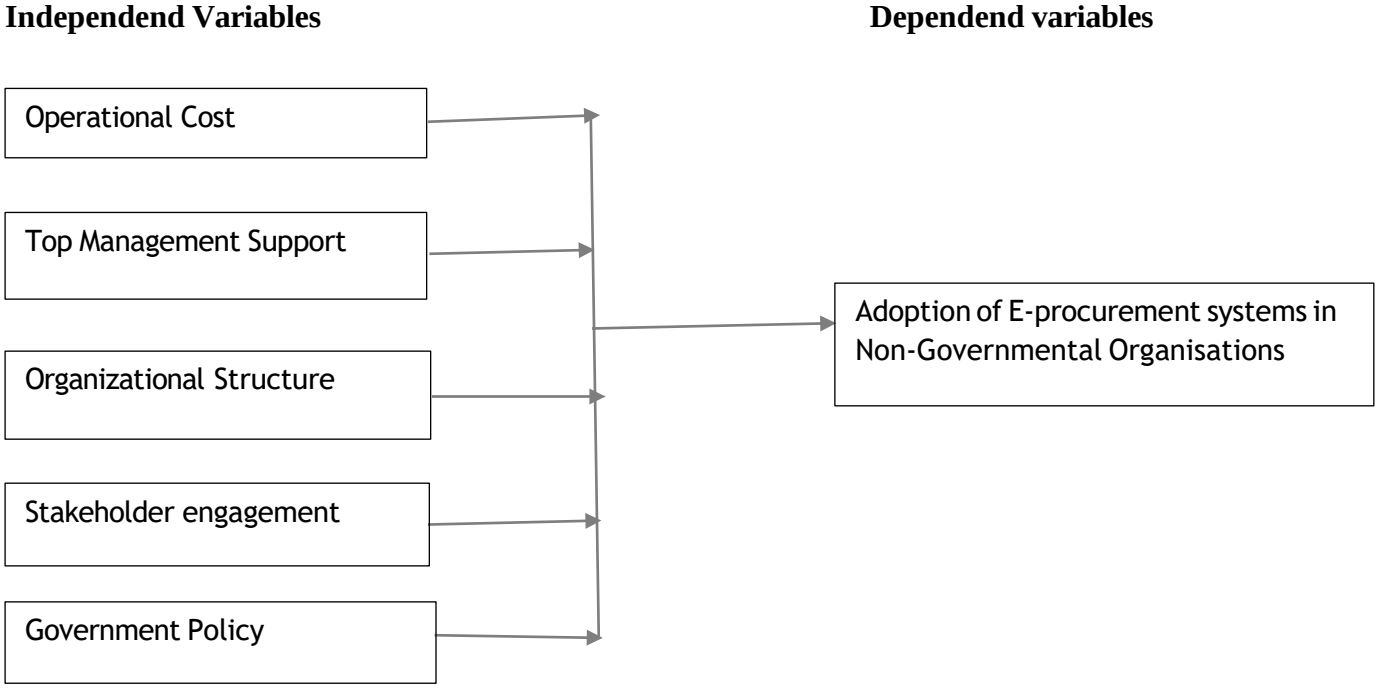


Figure 2.1 Conceptual framework

2.5 Operationalization of variables

2.5.1 Operational Cost

Operational costs refer to the ongoing expenses that NGOs incur in managing procurement activities. These costs may include administrative expenses, manual processing inefficiencies, supplier follow-ups, and challenges associated with paper-based systems (Dooley, 2021). In this study, operational costs will be assessed by asking respondents whether e-procurement has helped them reduce procurement expenses, save time, improve inventory management, and minimize delays. The goal is to determine whether operational costs play a significant role in the decision to adopt e-procurement systems.

2.5.2 Top Management Support

Top management support reflects the extent to which senior leaders provide direction, resources, and encouragement for e-procurement adoption (Teo, 2009). This includes approving budgets, facilitating training, and ensuring departmental coordination. Respondents will be asked to rate leadership involvement in promoting e-procurement, assess whether top

executives prioritize digital systems, and share their experiences regarding managerial support in using such platforms. This will help establish whether leadership commitment directly impacts the success of e-procurement implementation.

2.5.3 Organizational Structure

Organizational structure outlines the arrangement of roles, duties, and decision-making power within an NGO, shaping how effectively innovations like e-procurement systems can be adopted and integrated into daily operations (Lee, 2024). Centralized structures might struggle with slow decision-making, while decentralized models could face inconsistencies in implementation. This study will explore the role of organizational structure in e-procurement adoption by assessing respondents' perspectives on role clarity, departmental collaboration, and the adaptability of their organization's processes.

2.5.4 Stakeholder Engagement

Stakeholder engagement involves the participation of individuals or groups affected by procurement decisions, such as staff, suppliers, donors, and regulators. Active engagement fosters adoption, while lack of involvement can lead to resistance or confusion (Attanasio, 2022). This study will examine how stakeholders are consulted during the rollout of e-procurement, whether their feedback is considered in system improvements, and if they have the necessary skills to interact effectively with digital procurement tools.

2.5.5 Government Policy

Government policy encompasses the regulations and guidelines set by authorities or donors that shape procurement practices. These may include laws promoting digital procurement, funding requirements, and compliance standards. Respondents will be asked whether they are familiar with relevant policies, whether their organizations comply with these regulations, and how government support or enforcement influences their adoption of e-procurement systems (Noreen, 2022).

2.6 Chapter Summary

This chapter analysed critically the theoretical and the empirical literature on the adoption of e-procurement systems in NGOs, particularly within Kenya. The theoretical section examined five key theories including Transaction Cost Theory, Technology Acceptance Model, Contingency Theory, Stakeholder Theory, and Institutional Theory which provides a

foundation for understanding ways in which organizations can embrace and implement e-procurement.

The empirical literature review on the other hand analyzed five critical factors influencing e-procurement adoption: operational cost, top management support, organizational structure, stakeholder engagement, and government policy. Each of these variables was discussed in detail, with supporting studies and practical examples illustrating their impact

Additionally, the summary and research gaps section identified key areas requiring further exploration, these gaps form the foundation for this study's contribution to knowledge. Lastly, the chapter defined core study variables and explained their operationalization, providing a basis for structuring the questionnaire for primary data collection.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter outlines the general methodology used to carry out the research investigation. A pilot study, data collection methods, data analysis and presentation, ethical issues, research design, target population, sample and sampling strategy, instruments, and chapter summary are all included.

3.1 Research Design

A descriptive study design was employed in this investigation. This is due to the fact that descriptive research aids in addressing inquiries about the condition of the study's participants. It entailed creating the study's goals, planning the data collection techniques, choosing the sample, gathering data, and evaluating the findings (Mugenda., 2003).

3.2 Target population

The study covered a target population of 54 employees.involving of top management and operational staff.

3.3 Sample and Sampling Technique

Sampling involves selecting a representative subset of individuals from a larger population to estimate its overall characteristics (Mugenda., 2003). In this study, census sampling was applied to ensure that various population groups are proportionally included, enhancing the accuracy of parameter estimates. The study was reached out to a census sampling. .

3.4 Instruments

Instruments are the tools and methods used to collect data in a research study. For this research, questionnaires will serve as the primary data collection instrument, allowing respondents to provide insights on factors affecting e-procurement adoption in NGOs. These questionnaires was structured to ensure clarity, consistency, and measurable responses, facilitating accurate analysis of the variables under study.

3.5 Pilot study

To ensure reliability and validity of the research tools, a pilot study was conducted on respondents who do not belong to the target population. Questionnaires were carefully designed to capture a wide range of responses, but before full implementation, it will be tested to identify potential ambiguities or challenges.

Participants in the pilot study provided feedback on question clarity, relevance, and ease of interpretation, which allowed the researcher to make necessary adjustments.

3.7 Data Analysis and Presentation

Based on respondent feedback, data was collected in the field, thoroughly examined, and compared to guarantee accuracy and quality. Both qualitative and quantitative techniques were used to analyze the data. While the quantitative method makes use of statistical tools like frequencies and percentages, the qualitative approach concentrated on content analysis and interpretation of textual material. Tables, charts, and figures wi used to visually convey the findings in order to improve comprehension and clarity.

3.6 Data Collection and Procedure

For the investigation, both the secondary and primary data were be collected. Questionnaires were utilized in primary data collection to gather the necessary information, and respondents identified using drop-and-pick techniques after being briefly briefed on their significance and purpose. Relevant literature reviews from studies, scholarly publications, books, and the business website were the sources of secondary data.

3.8 Ethical Considerations

To prevent plagiarism, all required citations was noted during the project's authoring. In order to guarantee that the goals of the study is fulfilled, the researcher was dedicated to making sure the target respondents completed the questionnaires accurately. Additionally, the researcher pledged to handle any field-collected information on the respondents with the highest secrecy.

3.9 Chapter Summary

The technique used to investigate the factors impacting NGOs' adoption of e-procurement is described in this chapter. Because it uses a descriptive research approach, important variables

can be thoroughly examined. To provide equitable representation, a stratified sample of 54 respondents will be chosen from the target group, which consists of 72 employees.

To collect data, a structured questionnaire will be used, providing standardized responses for analysis. Before the main study, a pilot test will be conducted to refine the questionnaire, ensuring clarity, validity, and reliability. Primary data will be gathered through the drop-and-pick method, while secondary data will be sourced from literature reviews.

For analysis, both qualitative and quantitative techniques will be applied. Content analysis will be used for textual data, while statistical methods such as frequencies and percentages will help summarize numerical findings. Results will be visually presented using tables, charts, and figures for easier interpretation. Ethical considerations, including respondent confidentiality, proper citation, and responsible handling of data, will be prioritized to uphold research integrity.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The chapter aims to present results of data collected, analyze and give appropriate interpretation to enable the researcher to make correct judgment on the problem investigated.

4.1 Research findings representation

4.1.1 Response Rate

Table 4:1: Response Rate

Category	Frequency	Percentage
Response	51	94
No-Response	3	6
Total	**54**	**100**

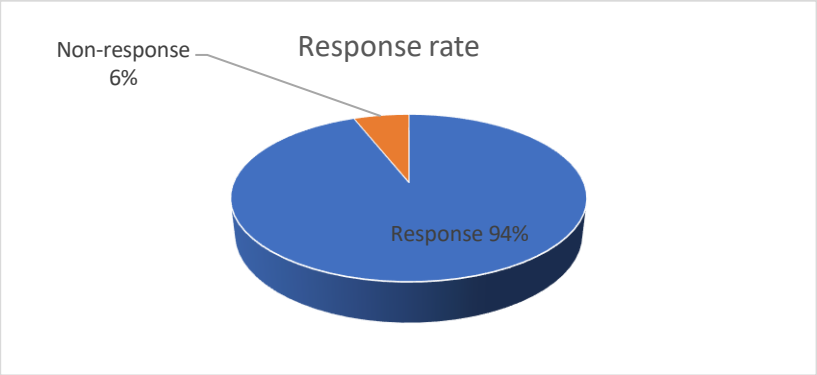


Figure 4.1 The Response Rate

Table 4.1 and figure above represents the respondents to the questionnaires and those who did not respond. Those who responded were 94% of the sample size and those who did not respond were 6% of the sample size.

4.1.2 Gender Analysis

Table 4.2 The Respondents Gender analysis

Table 4.2 Gender Distribution:

Gender	Frequency (n)	Percentage (%)
Male	31	61
Female	20	39
Other	0	0
Total	51	100%

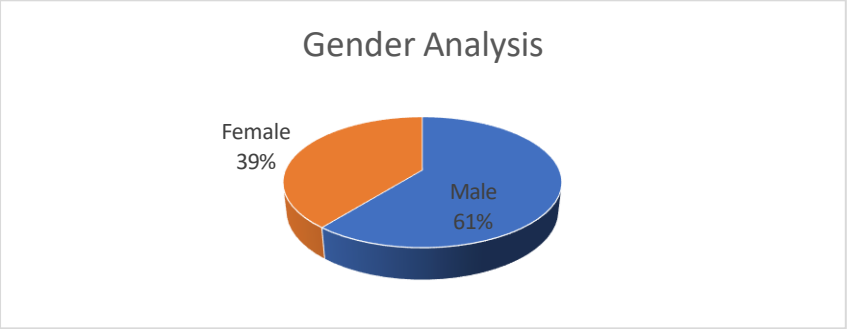


Figure 4.2 The Gender Analysis of the respondents

With regards to table and figure 4.2 above, the male respondence was 61% while female respondence was 39% of the sample population. It can be inferred from the study that there were more male responses than female responses.

4.1.3 Age of the respondents

Table 4.3 Age Distribution:

Age Range	Frequency (n)	Percentage (%)
18 to 27 years	22	43
28 to 37 years	16	31
38 to 47 years	9	18
48 to 57years	4	8
58 Yrs and more	0	0
Total	**51**	100%

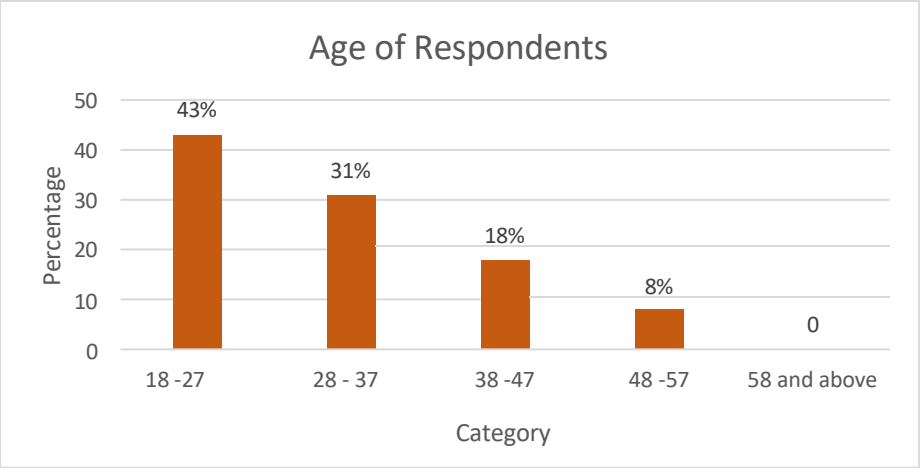


Figure 4.3 Respondents Age

From the table and figure above it is evident that forty three percent of the respondents, their ages were ranging from 18 to 27, while the 31%, their ages ranging from 28 to 37, while the 18% had their ages ranging between 38 to 47. Only 8% of the responders were between the ages of 48 and 57, and none of them were older than 58. As a result, these findings were a reflection of how the organization is composed of a strong workforce.

4.1.3 Level of Education

Table 4.4 Education Level:

Education Level	Frequency (n)	Percentage (%)
Certificate	4	8
Diploma	6	12
Bachelor's Degree	31	61
Master's Degree or above	10	19
Total	93	100%

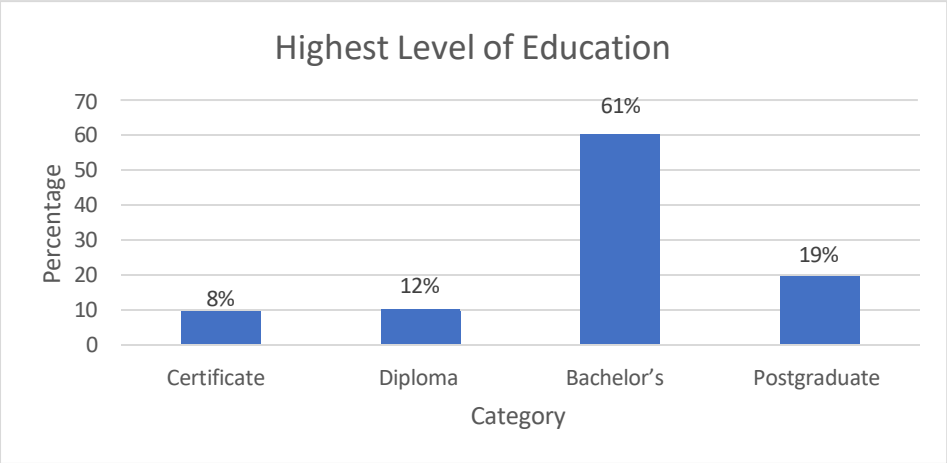


Figure 4.4 Level of Education

Eight percent of respondents had a certificate, twelve percent had a diploma, sixty-one percent had a bachelor's degree, and nineteen percent had a postgraduate degree, this is per the fugure and table above. The majority of respondents are graduates with bachelor's and graduate degrees, according to the research.

4.1.4 Working Experience

Table 4.5: Working Experience

Period	Frequency	Percentage (%)
Less than 2 year	13	25
3 to 5 years	26	51
6 to 8 years	7	14
9 to 11 years	4	8\
12 Years and above	1	2
Total	**51**	**100**

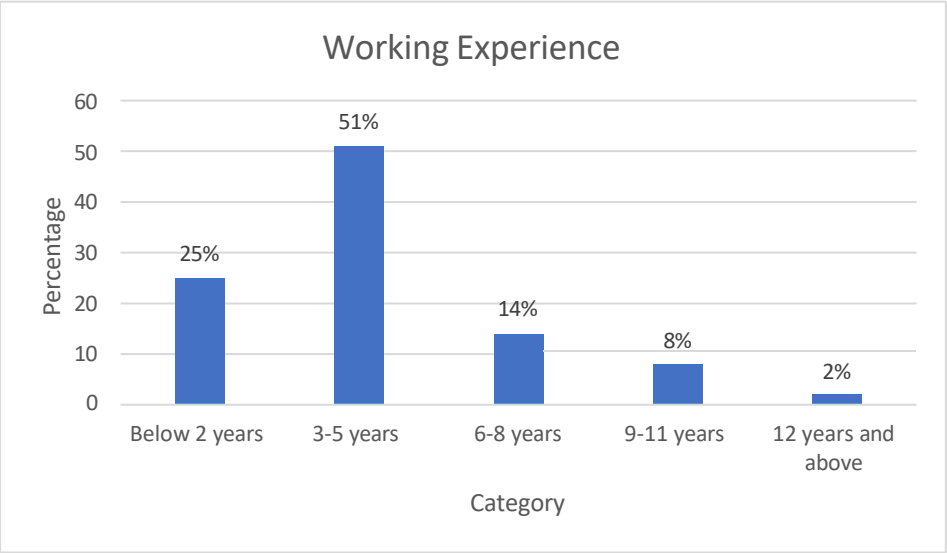


Figure 4.5 Working Experience of Employees

Table 4.5 and Figure 4.5 show that 25% of the respondents in the company had less than two years of work experience, while 51%, 14%, 8%, and 2% had three to five years, six to eight years, nine to eleven years, and twelve years or more, respectively. We may conclude that the majority of workers have three to five years of experience.

4.1.5 Effect of Operational Cost on Adoption of E-Procurement Systems

Table 4.6 Operational Cost effect

Category	Frequency	Percentage
Effect	49	94
No-effect	2	6
Total	**51**	**100**

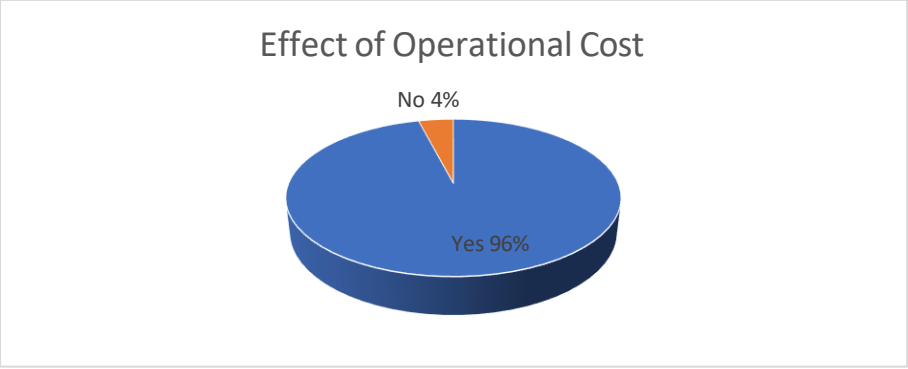


Figure 4:6 Effect of Operational Cost

A 96% of respondents stated that operational costs had an effect on an organization's adoption of e-procurement systems, while 4% stated that operational costs had no effect on such adoption (see Table 4.6 and Figure 4.6).

4.1.6 The Extent of operational cost effect on e-procurement systems adoption

Table 4.7 Extent of how operational cost affect the adoption of e-procurement systems

Category	Frequency (n)	Percentage (%)
Very High	21	51
High	23	45
Moderate	3	6
Low	2	4
No effect	2	4
Total	**51**	100%

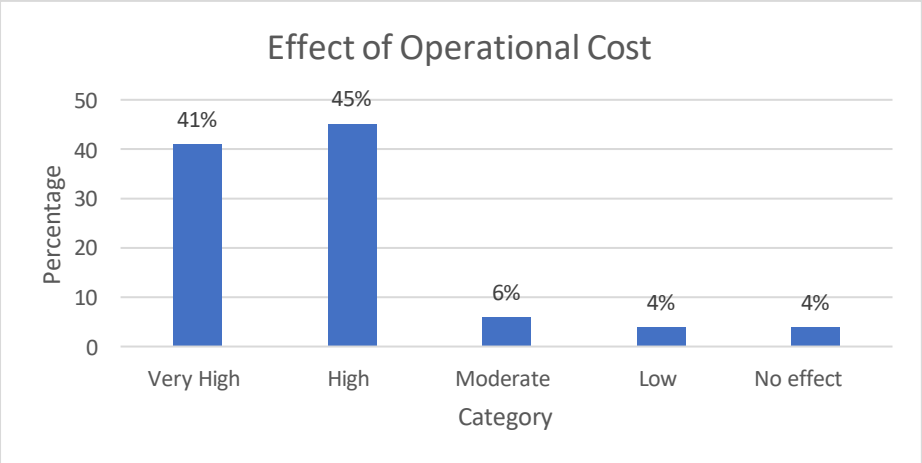


Figure 4.7 Extend of the effect of operational cost on adoption of e-procurement systems

According to table 4.7 and figure 4.7, the highest response of 45% indicated that operational cost effect on adoption of e-procurement is high, followed closely by 41% who indicated that operation cost effect on adoption of e-procurement is very high, consequently 6% indicated that operational cost moderately affect whereas 4% indicated that cost effect is low, while 2% indicated that operational cost has no effect on adoption of e-procurement systems in an organization.

4.1.7 The effect of Top management support

Table 4.8 The effect of top management support on adoption of e-procurement systems

Category	Frequency	Percentage
Yes	50	98
No	1	2
Total	**51**	**100**

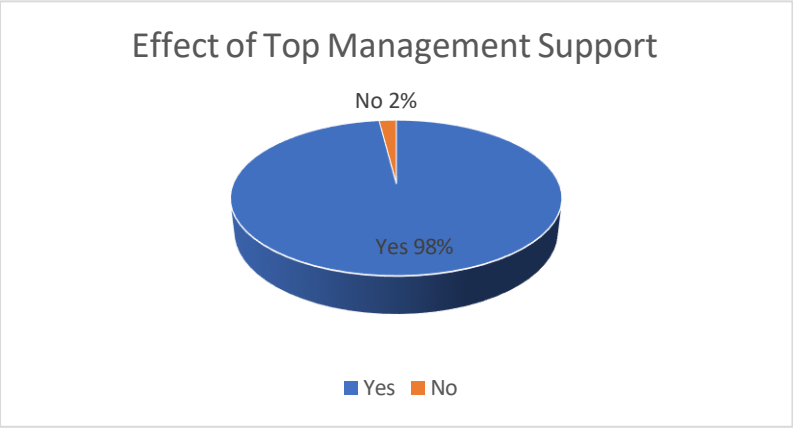


Figure 4.8 Effect of top management support on adoption of e-procurement systems

Table 4.8 and Figure 4.8 reveal that a vast majority 98% of participants in the research study believe that support from top management plays a crucial role in an organization's decision to adopt e-procurement systems. In contrast, only 2% of respondents felt that top management support does not impact the adoption process.The argument put forth was that the organization's top management is in charge of making decisions and influencing them.

4.1.8 The extent of the effect of Top management support in adoption of e-procurement systems in an organisation

Table 4.9 The extend of Top Management Support

Category	Frequency (n)	Percentage (%)
Very High	29	57
High	18	35
Moderate	3	6

Low	0	0
No effect	1	2
Total	**51**	100%

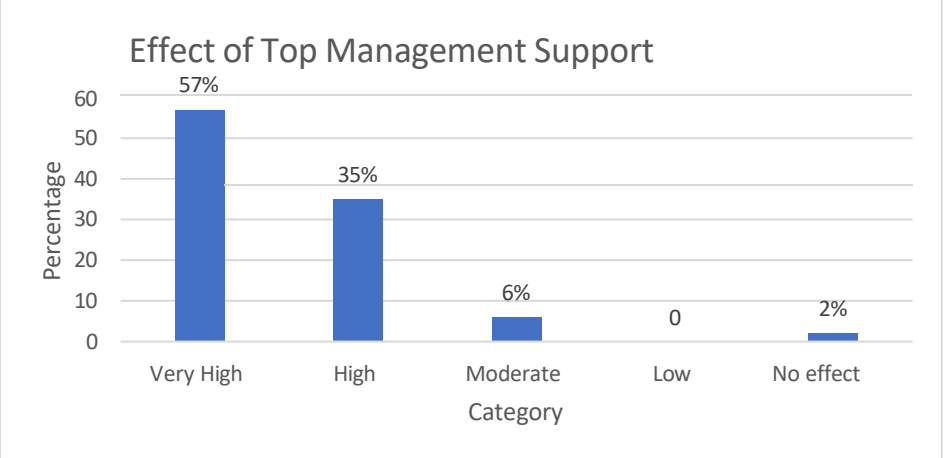


Figure 4.9 Extend of top management support

A 57% of respondents stated that senior management support had a very high influence on an organization's adoption of an e-procurement system, 35% stated that it had a high impact, and 6% stated that it had a moderate impact (Table 4.9 and Figure 4.9). Senior management support has no bearing on an organization's use of e-procurement technology, according to 2% of respondents. Not a single responder indicated that the scope of e-procurement system utilization was minimal.

4.1.9 The effect of Organization structure

Table 4.10 The effect of organisation structure on the adoption of e-procurement systems

Category	Frequency	Percentage
Yes	32	63
No	19	37
Total	**51**	**100**

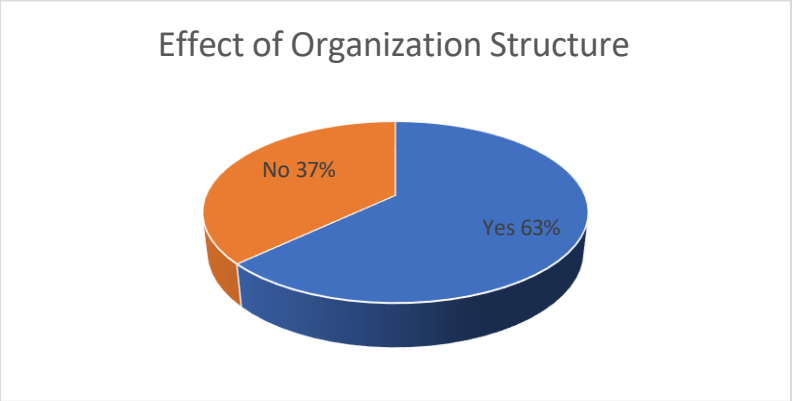


Figure 4.10 The effect of organisation structure on the adoption of e-procurement systems

Table 4.10 and Figure 4.10 show that according to 63% of respondents, organizational structure has an impact on an organization's adoption of e-procurement systems, while 37% say that it has no effect.

4.1.10 The extent to which Organisation structure affect adoption of e-procurement systems in an organisation

Table 4.11 The extent of effect of Organisation structure

Category	Frequency (n)	Percentage (%)
Very High	2	4
High	10	28
Moderate	13	25
Low	7	14
No effect	19	27
Total	**51**	100%

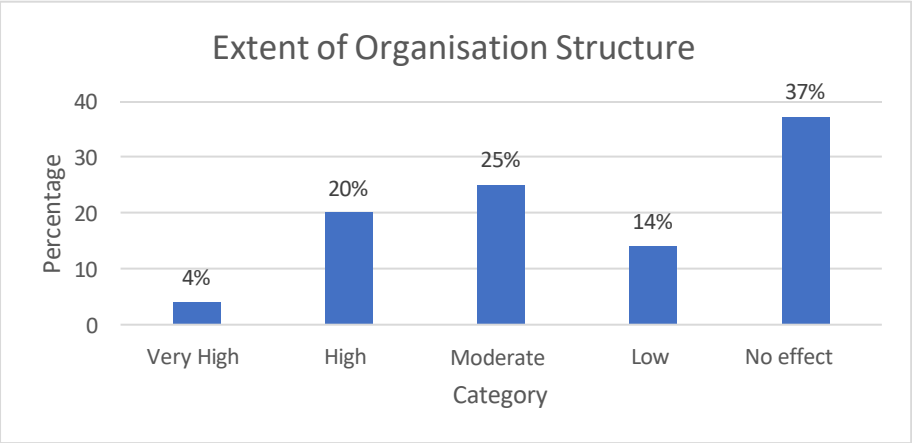


Figure 4.11 The extent of effect of Organisation structure

Table 4.11 and Figure 4.11 show that the largest number, 37%, think that an organization's structure has no bearing on its adoption of an e-procurement system. While 25% think that the impact of organizational structure is moderate, 20%, 14%, and 4% think that the impact of organizational structure is high, low, and extremely high, respectively.

4.1.11 Stakeholder Engagement

Table 4:12 Effect of stakeholder engagement on the adoption of e-procurement system in an organisation

Category	Frequency	Percentage
Yes	40	78
No	11	22
Total	**51**	**100**

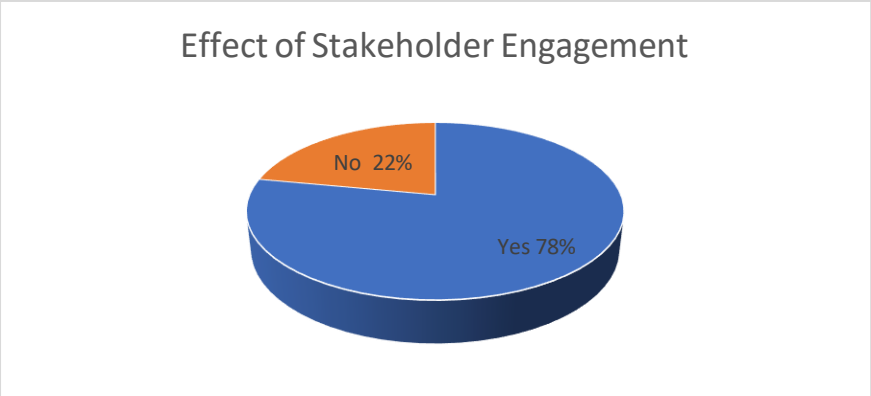


Figure 4.12 Effect of stakeholder engagement on the adoption of e-procurement system in an organisation

A 78% of respondents believe that stakeholder involvement affects an organization's adoption of e-procurement systems, per the study shown in table 4.12 and picture 4.12. whilst 22% think that stakeholder engagement has no effect on such adoption.

4.1.12 Government Policy

Table 4:13 Effect of government on the adoption of e-procurement system in an organisation

Category	Frequency	Percentage
Yes	42	82
No	9	18
Total	**51**	**100**

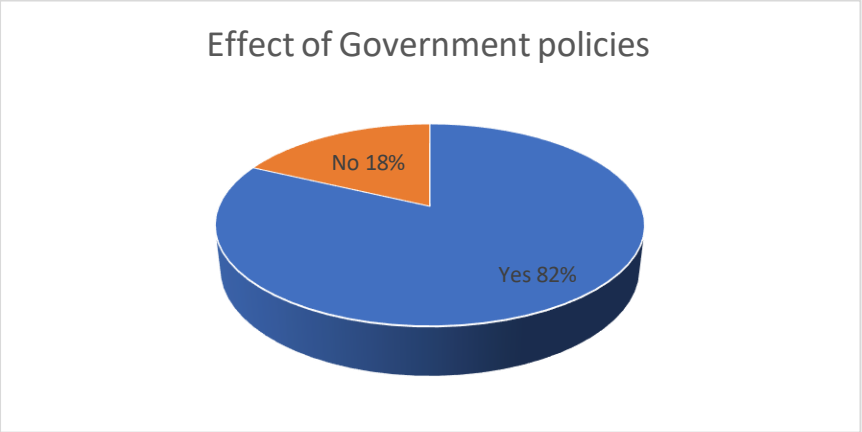


Figure 4.13 Effect of government policy on the adoption of e-procurement system in an organisation

Table 4.13 and Figure 4.13 show that 82% of respondents said that government policies have an impact on an organization's adoption of e-procurement systems, whereas 18% said that government policies have no effect.

Table 4.14 Extend of effect of Government policies

Category	Frequency (n)	Percentage (%)
Very High	8	16
High	15	28
Moderate	110	20
Low	9	18
No effect	9	18
Total	**51**	100%

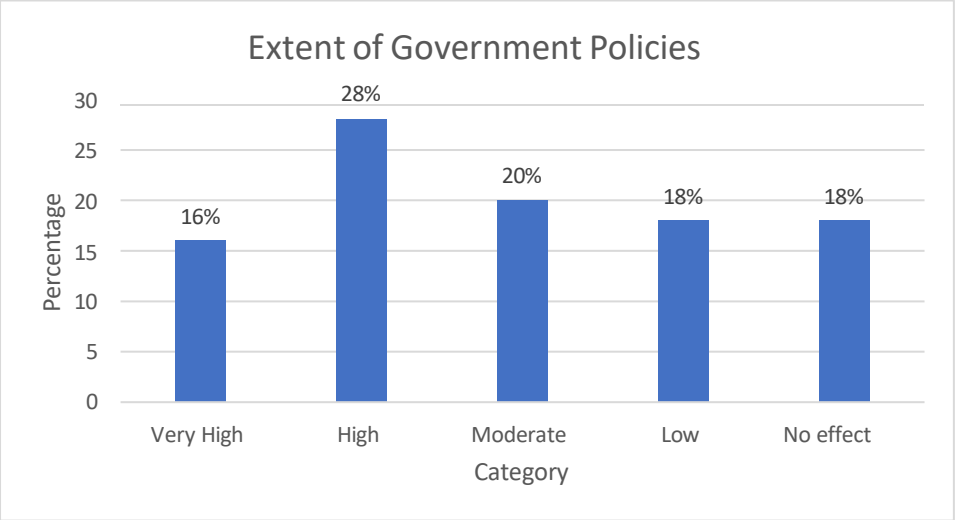


Figure 4.14 Extend of the effect of Government policies

According to table 4.14 and figure 4.14 28% of respondents said that government policies had a strong impact on the adoption of e-procurement, while 20% said that policies had a moderate impact. According to 18% of respondents, government policies have a modest impact on the adoption of e-procurement systems, while 16% of respondents said that these policies have a very high impact. According to 18% of the respondents, government policy has no influence on Kenyan non-governmental organizations' adoption of e-procurement systems.

18% of respondents think government policy has little effect, while 18% think it has no effect, according to the study for this aspect, which shows a double percentage.

4.2 Limitations of the Study

Response Bias The data collection process relied on self-administered questionnaires. As a result, there's a possibility that some participants may have answered in a way they felt was socially acceptable or misunderstood certain questions, potentially impacting the accuracy of the findings.

Scope of the Study This research was conducted exclusively within Kenyan Non-Governmental Organizations (NGOs), which means the insights drawn may not fully apply to other sectors, such as government agencies or private enterprises. These sectors may face distinct challenges when implementing e-procurement systems.

Non-Response Rate The study saw a modest non-response rate of 6%. While 94% of respondents participated, the perspectives of those who didn't respond might have introduced subtle variations to the outcomes or brought in different viewpoints.

4.3 Chapter summary

The results of a study looking at the variables influencing the adoption of e-procurement systems across Kenyan Non-Governmental Organizations (NGOs) were examined and interpreted in this chapter. The investigation centered around five core variables: operational cost, top management support, organizational structure, stakeholder engagement, and government policy.

The data revealed that operational cost stands out as a key driver, with 96% of participants acknowledging that financial considerations significantly impact the adoption of e-procurement. Top management support was identified as a crucial element, with 98% of respondents underscoring its role in decision-making and implementation processes.

Organizational structure showed a mixed level of influence: 63% of respondents believed it affected adoption, while 37% felt otherwise—pointing to a moderate overall impact. Stakeholder engagement emerged as another important factor, with 78% affirming that active involvement contributes to the success of e-procurement initiatives. Furthermore, 82% agreed that government regulations—such as licensing and tax policies—play a meaningful role in shaping adoption outcomes.

The chapter also addressed limitations that may have influenced the study's depth and breadth. These included its exclusive focus on NGOs (limiting broader applicability), possible response bias due to the use of self-administered questionnaires, a modest non-response rate of 6%, and constraints related to time and available resources.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Introduction

The chapter focuses on the answers to the research questionnaires, which were derived from the study. It also covers a summary of the findings, conclusion, recommendations, and suggestions for further research.

5.1 Summary of the Findings

5.1.1 Do what extend does operational cost affect the adoption of e-procurement in Non-Governmental Organisations in Kenya

Regarding the effect of operational cost on the adoption of e-procurement systems in an organization, 96% of the respondents believe that operation cost is the key driver of the adoption, they believe that cost is the heart of the organization such that without the money the organization cannot operate, and thus in the case of adopting new systems such as e-procurement cost is the main factor. In the same case, 4% believe that cost is not a major factor in the adoption of e-procurement systems, the belief that the agreement to adopt e-procurement goes beyond the money aspect.

5.1.2 How does top management support affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

One of the most important factors in the adoption of e-procurement systems, according to the respondents, is top management support. Since top management is in charge of setting policies, guidelines, and strategic objectives in addition to provide leadership and direction, they contend that support from the top down is essential for a new system to be successfully adopted and put into place. This implies that senior management can set the rules and coordinate the implementation of the e-procurement system with the aims and objectives of the larger company if they have goodwill.

5.1.3 In what ways do organizational structure affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

Sixty-three percent of the respondents said that an organization's organizational structure influences its adoption of an e-procurement system. They contended that a shorter chain of command, where information flows more quickly, speeds up decision-making and, in a sense,

influences how e-procurement systems are adopted, whereas a longer chain of command slows down the rate of e-procurement adoption. However, according to 37% of respondents, the adoption of e-procurement systems in a firm is more dependent on cost availability and top management backing than it is on organizational structure.

5.1.4 How does stakeholder engagement affect the adoption of e-procurement in Non-Governmental Organisations in Kenya?

According to the research's data, 78% of the participants say that stakeholder engagement influences an organization's adoption of e-procurement systems. They cite the following explanation: because stakeholders have a say in how the organization operates, if they are not prepared for e-procurement, the organization cannot successfully adopt and function as a whole. Because stakeholders may always adapt to the organization's operations and have no impact over internal organization aims and objectives, 22% of respondents said that stakeholder engagement had no effect on the adoption of e-procurement.

5.1.5 What is the effect of government policy on the adoption of e-procurement in Non-Governmental Organisations in Kenya?

A 82% of respondents, according to the data gathered, think that government policy influences an organization's use of e-procurement systems. The rationale is that government regulations, such as those pertaining to tax rates, interest rates, and licenses, have an impact on how the organization functions. As a result, these rules will influence whether or not the organization can implement the system. However, 18% of the respondents think that government policies have no bearing on the adoption of an e-procurement system because the business is already in operation and is aware of the implications of its activities within the framework of existing government regulations.

5.2 Conclusions

From the research study it is with no doubt that operational cost has effect in the adoption of e-procurement systems in a non-governmental organization, this is evident with that fact that 96% of the respondents indicated so. The reason brought forward by the respondents is that cost is the driving force to any activity in an organisation and thus without cost involved activities can stall, thus its factored in as having effect on the adoption of e-procurement systems.

In relation to top management support 98% of the respondents indicated it affects the adoption of e-procurement systems in a non-organization, 2% indicated that it does not affect the adoption of e-procurement systems. The factor is two sided whereby the top management can help the organisation make decision that supports the implementation of e-procurement in an organization while at the same bureaucratic and a challenge to e-procurement implementation.

Regarding the organization structure it can be concluded, the effect in the adoption of e-procurement systems in non-governmental organization is moderate, this is evident from the findings where 63% believe it largely affect while 37% believe it has no effect, this means that the adoption of e-procurement systems in an organization goes beyond the structure of the organization but dependent on other factors such as operational cost and top management support as discussed above.

The research findings concludes that stakeholder engagement has an effect on the adoption of e-procurement systems in non-governmental organization, this can be drawn to the fact seventy percent are in agreement on the same. The reason behind that is the fact the stakeholders such as customers, suppliers and other interested parties always have a say in the implementation on new system in an organization, this is because the new systems will influence their work or contribution to the organization.

It can also be concluded that government policies affect the adoption of e-procurement systems in non-governmental organization, this was echoed by eighty two percent of the respondents, the reason behind that is the fact the government through taxes, interest rates and regulations will always have an impact in the adoption and implementation of a new system in an organization.

5.3 Recommendations

The effectiveness of an organisation is dependent on its ability to run processes smoothly, and which is only possible when there are funds available to do so, therefore it is paramount that organizations ensure that there are available funds to adopt and implement systems that will support in improving service delivery in an organization such as adoption of e-procurement system.

While the top management support is key in implementation of new systems, it is important to note that employee involvement and engagement is important too since they are implementors

and frequent users of the system. The top management thus needs to engage and involve more with the mid-management and the support staff.

To ensure efficient and effective service delivery there is need for the organization to consider withdrawal of unnecessary hierarchies. This will ease reporting and execution of tasks within the organisation, it will ensure that there is no duplication of duties and ensure proper use of resources.

It is important for employees and the organisation at large to understand the importance and the contribution of stakeholders in the success of the organisation processes; Thus, the aspect of inclusivity is key in driving the organisational goals and objectives.

Government should be in fore front to support non-governmental organisation adopt and implement system's that improve the organisations efficiency and effectiveness, the government thus should support the NGOs through provision of subsidies, tax exempts among other strategies that enable the NGOs to thrive and offer excellent service delivery across board.

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APPENDICES:

APPENDIX I: LETTER OF INTRODUCTION

Getrude Kibet

The Management University of Africa (MUA)

Bachelor of Management and leadership

08/07/2025

To Whom It May Concern,

RE: FACTORS AFFECTING THE ADOPTION OF E-PROCUREMENT SYSTEM IN NON-GOVERNMENTAL ORGANIZATION IN KENYA

I am a Bachelor of Management and leadership student at the Management University of Africa (MUA), conducting a research study titled "**Factors affecting the adoption of e-procurement system in non-governmental organization in Kenya.** This letter serves to request your kind support and participation in the study. The purpose of this research is purely academic, and all the information gathered will be treated with utmost confidentiality and used strictly for scholarly purposes. Participation is voluntary, and no personal identification details will be recorded. I sincerely request your cooperation in filling out the questionnaire provided.

Thank you in advance for your valuable contribution.

Yours faithfully,

Getrude Kibet

The Management University of Africa (MUA)

APPENDIX II: QUESTIONNAIRE

Kindly answer questions by putting a tick (√) or (X) in the appropriate box or by writing in the spaces provided.

SECTION A: GENERAL INFORMATION

1. Gender of the respondent

Male [ ]

Female [ ]

2. Age in years of the respondent

18 to 27 years [ ]

28 to 37 years [ ]

38 to 47 years [ ]

48 to 57years [ ]

58 years and above [ ]

3. Highest level of education

Certificate [ ]

Diploma [ ]

Bachelor's [ ]

Postgraduate [ ]

4. Working experience

Below 2 years [ ]

3-5 years [ ]

6-8 years [ ]

9-11 years [ ]

12 years and above [ ]

SECTION B: OPERATIONAL COST

5. Does operational cost affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Yes [ ]

No [ ]

6. To what extent does operational cost affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Very High extent [ ]

High extent [ ]

Moderate extent [ ]

Low extent [ ]

No effect [ ]

Please explain

.....

.....

SECTION C: TOP MANAGEMENT SUPPORT

8. Does top management support affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Yes [ ]

No [ ]

9. To what extent does top management support affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Very high extent [ ]

High extent [ ]

Moderate extent [ ]

Low extent [ ]

No effect [ ]

Please explain

.....

.....

SECTION D: ORGANIZATIONAL STRUCTURE

10. Do Organizational structure affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Yes [ ]

No [ ]

11. To what extent does Organizational structure affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Very high extent [ ]

High extent [ ]

Moderate extent [ ]

Low extent [ ]

No effect [ ]

Please explain

.....

.....

SECTION E: STAKEHOLDER ENGAGEMENT

12. Does Stakeholder engagement affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Yes [ ]

No [ ]

13. To what extent does Stakeholder engagement affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Very High extent [ ]

High extent [ ]

Moderate extent [ ]

Low extent [ ]

No effect [ ]

Please explain

.....

.....

SECTION F: GOVERNMENT POLICIES

14. Do Government policies affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Yes [ ]

No [ ]

15. To what extent do Government policies affect the Adoption of E-Procurement systems in Non-Governmental Organizations in Kenya?

Very high extent [ ]

High extent [ ]

Moderate extent [ ]

Low extent [ ]

No effect [ ]

Please explain

.....

APPENDIX III: PLAGARISM REPORT

Similarity Report

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Summary