DETERMINANTS OF THE PURCHASING FUNCTION IN THE MOTOR INDUSTRY: A CASE STUDY OF SIMBA CORPORATION LIMITED MOTOR DIVISION

OMARIBA NICKY

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

SEPTEMBER, 2024

DECLARATION

Declaration by the student

This research endeavor is entirely unique with no submissions to external review bodies. This study effort may not be duplicated in any way without permission from the Management University of Africa and me.

Sign ____________________ Date _____________

NICKY OMARIBA

BML/32/01219/2/22

Declaration by the supervisor

As the supervisor of the Management University of Africa, I have given my clearance for this research proposal to be submitted for review.

Sign __________________ Date ____________

PROFESSOR PETER P KITHAE

The Management University of Africa.

DEDICATION

I take this opportunity to dedicate this research project to several people; firstly to my loving family, dad and mum for their love and moral support and I thank them for bringing me up well and everything that I am today I owe to it all to them and pray to GOD to always take good care of them.

Second, thank you to my siblings for their devotions, reassurance, and assistance. Your love and encouragement inspire me to greater heights. Thank you and May God crown your efforts with success.

ACKNOWLEDGEMENT

I would like to thank all of the sources who helped with this study project. I am indebted to express my genuine gratitude to my supervisor Professor Peter Kithae for his immense direction and untiring support.

I also want to thank my fellow students from the Management University of Africa for their inspiration and support.

I would also like to acknowledge Simba Corporation Limited for the support they gave by allowing me to use their organization as a field of my study.

ABSTRACT

The study aimed at finding out the determinants of the purchasing function in the motor industry with special reference to Simba Corporation Limited in Nairobi, Kenya. The study dealt with four objectives which determine the effects of purchasing regulations on the purchasing function in the motor industry, to investigate the effects of information technology on the purchasing function in the motor industry, to examine how the purchasing ethics affects the purchasing function in the motor industry and lastly to determine how supplier management affects the purchasing function in the motor industry. The study employed a descriptive research approach because its goal is to identify the variables linked to certain events, results, circumstances, or behavioral patterns. The top level management, middle level management, and supportive staff constituted the study's target group. A stratified random sample strategy was employed by the researcher. Tables, charts, and graphs were used to display the data after it had been analyzed using both qualitative and quantitative methods. The research found out that 77% of the respondents in Simba Corporation Limited embraced purchasing regulations as a means to better management of purchasing activities in the motor industry. 87% of those surveyed said that technology for information had improved communication among employees and is a means of reaching the set goals of the firm in the purchasing function. 87% of the respondents were of the view that purchasing ethics has had a great impact on the improvement of performance in the purchasing function in the motor industry. 73% of the respondents greatly believed that supplier management improves good service delivery to customers since the company is able to purchase their goods from reliable suppliers. The study recommended that purchasing regulations are vital in any organization that wants to ensure an improved management of the purchasing function, the use of IT in carrying out of purchasing activities must be embraced. Employees in the purchasing function must be encouraged to follow the purchasing code of conduct when carrying out purchasing activities. Supplier relationships must be well maintained to ensure the motor industry ability to purchase their products with ease.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

IT	Information Technology
EDI	Electronic Data Interchange
ICT	Information and Communication Technologies
PPP	Procurement Policies Procedures
JIT	Just-in-time
PPDA	Public Procurement and Disposal Act

OPERATIONAL DEFINITION OF TERMS

Purchasing This is an art of acquiring requirements for organizations. From the moment the requirement is determined until the supplies are received and finally accepted, it is a process that encompasses all the steps required.

Respondents These are the people whom the researcher communicates to while collecting data. They will help in getting the information concerning factors affecting stores management. They help the researcher to know exactly what happens in the field of research. They act as the source of information to the researcher.

Performance This refers to an achievement in relation to how well work is done.

Procurement This is the act of buying goods and services for the government.

It involves the bidding proces

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.0 Introduction

This chapter contains the background of the study, statement of the problem which affects the purchasing function in the organization, objectives of the study, research questions, the importance of the research, its constraints, and its extent and the chapter summary.

1.1 Background of the Study

There are differences in the way the buying function functions in public and private enterprises. Unlike private companies, public companies spend their money on a variety of different objectives, such building a strong national supply base, in addition to acquiring all necessary goods and services. The goal of the buying function in the automotive sector, as stated by Norwell (2003), is to promote novel ideas and advancements like open markets and computerized bidding. To attain operational efficiency, the automotive industry must also lead by example in the areas of transparent processes, fair competition, and sustainability issues. Although the task of purchasing inside a company is complicated by all of these elements, the firm's purchase must ultimately be done correctly and effectively. This is a difficult condition to meet as an organization's purchasing is typically dispersed among a wide range of departments, organizations, and offices in several places, each with unique objectives, cultures, and practices. The purpose of the present investigation is to provide an overview of a major study that will be conducted to investigate the factors that influence purchasing operations in the automotive sector. It is often believed that the buying department of the authorities is less sophisticated than that of private companies.

The ultimate goals of private companies, including financial stability and profit margins, don't appear to apply to administrations. This might help to explain, at least in part, why buying operations in government departments is thought to be underdeveloped. However, all organizations in the motor industry need to improve on the purchasing function in order to improve on efficiency of operations. One question that comes up is: How much of the presumption that the purchasing role in the company is undeveloped is true? The buying function, which highlights many crucial facets of that role and their impact on operational effectiveness in the motor sector, will serve as the basis for the present study. These aspects include purchasing policy, supplier management, information technology, purchasing ethics and methods, organizational structures and their effect on the efficiency of the process of purchase in the motor industry, (Sheffi 2004). For the purpose of this research, the researcher will use Simba Corporation Limited, Motor Division to expound on the efficiency of operations in the organization due to improvement in the purchasing role. It is evident that the purchasing role is influenced by various elements and some of them are described as follows: A company's procurement procedure, which includes specification, choosing vendors, procurement, ordering, contractual surveillance, and purchasing activity follow-up, is a crucial component of the procurement function in the automotive sector. The way that each of these stages is integrated into the company as a whole is referred to as company in this context. Decentralized sequencing as well as centralized contract closure are two examples.

There has been a great challenge for professionals working in the purchasing function to raise their performance in order to meet tough new efficiency targets in the organization. The purchasing department in Simba Corporation Limited, Motor Division works to ensure that their customers get best value for money. However, several key areas in the company have improved over the years; the purchasing department is the toughest challenge ever. The challenges facing the purchasing function in the company is the demand for efficiency and spends targets. Procurement function administration and improving productivity in the motor business depend heavily on controlling vendors and internal consumers. In the buying function, controlling suppliers includes assertive the vendor market inspection of portfolio administration, and growth of suppliers. On the other hand, handling internal consumers pertains to how well internal consumers participate in the purchasing procedure. The processes and strategies used in procurement are important components that must be taken into consideration when improving the purchasing functions in the motor industry. Burt, Donald and Stephen (2003) denote that the purchasing function requires methodical processes or techniques to guarantee the caliber of the procurement function's stages.

Staff maintenance in the motor industry should have the required training to operate in the purchasing function. There is need to recognize the use and existence of information technology system for gathering, preserving, and accessing information needed for real purchasing. As an illustration, consider the application of computerized systems for overall buying functional management. This would ensure effective information systems in the motor industry that enable performance measurement in the purchasing function.

The buying function's policy should be closely watched to guarantee that it greatly aids in the accomplishment of the goals of the company. Furthermore, an organization's regulations regarding game morals and decisions about basic matters like make-or-buy, reciprocation, and inter-company transactions are reflected in the buying policy (Chang, Harris, and Howard 2004). By ensuring these procurement elements are well maintained for the in order to enhance efficiency and efficiency of an organizations' purchasing function in the automobile sector, organizations in the automobile sector are required to implement purchasing functions accountable for, amongst other duties, policy creation, supply collaboration, buying procedure reform and rationalization, supply activity evaluation, and guidance to the whole organization for improving efficiency in its operations.

Departments that purchase comparable products and services—especially those that are connected to processes other than main operations—improve the buying function. Additionally, divisions inside the company could buy similar products or services for their main operations. Take transportation or computer technology (IT) as examples. When buying efforts are coordinated, savings can be substantial due to reduced costs and higher volume as well as uniformity, equal terms for all departments, and fewer suppliers. This might be used to establish the lead buyer idea while blending the benefits of collaboration with independent, decentralized divisions. According to this idea, departments making comparable purchases would designate one of them—the lead-buyer—to seal a deal with the help of the others, resulting in the benefits of buying function coordination. Nevertheless, every division is free to employ the agreement, in contrast to a traditional central structure (Bichler, Kaukal, and Segev, 1999).

Stated differently, there aren't any mandatory central contracts. This means that the common criticisms of coordination—which characterize it as a return to centralized contracts—do not hold true. This is significant because, while many divisions may be open to participating in unofficial cross-departmental meetings, certain larger departments have made it plain upfront that they do not believe in the value in any kind of mandated or formal cooperation. Nonetheless, among other factors, the lead-buyer concept's effectiveness depends on the knowledge of a company's procurement that is accessible. It necessitates a methodical examination of departmental expenditure data. These evaluations point up areas for collaboration and offer a framework for assembling the pertinent buying functional units. Organizations in the motor industry must carry out supplier appraisal and contract management and human resource as strategies for improving the purchasing function, (Hohner, Rich, Reid and Davenport, 2003).

It is crucial that the corporation's buying managers to conduct organizational raids to train employees in the purchasing department so as to impart knowledge and confidence in their work. Purchasing managers should do research in the relevant areas, customize them to meet the demands of each person, and then obtain better solutions for the purchasing function. Purchasing offices in the motor industry need to spend more time with the staff and have empathy with them, for happy employees deliver better services. This ensures that, employees have no difficulties in work, for their managers have the capability to completely observe employee’s behaviour and are approachable. Organizations need to acquire collaborative procurement and aggregate purchases in order to improve on annual savings, (Sheffi 2004). In order to achieve this, the office of the E-Commerce, the firms’ purchasing arm should develop and agree on an e-purchasing policy for the organization which can be made available immediately.

1.1.1 Purchasing Function in the Motor industry

The purchasing process involves requirements, choosing a supplier or vendors, placing an order, keeping an eye on the purchase agreement, and following up of purchasing activities of an organization, it is an important element in the motor industry. According to Norwell (2003), the buying department in the automotive sector seeks to promote innovative ideas and advancements including open markets and computerized tenders.

1.1.2 Purchasing regulations

On an inter-departmental-level procurement in the motor industry has primarily been included in other policy domains. Policies pertaining to unemployment and innovation in industry, for instance may be integrated which may not be effective for the organization. However, an explicit, organization procurement policy as such does not exist. The procurement policy for any organization is based on the PPDA, (2005) in the constitution of Kenya. Every company inside the motor industry in Kenya are advised to implement their procurement activities according to the PPDA, (2005). This Act defines the processes and procedures involved in the purchasing function but most organizations in the motor industry have created their own purchasing guides, which differ greatly in both content and size.

1.1.3 Information Technology

The type of technology utilized in the purchasing function's manufacturing has a significant impact on the effectiveness of the company. The dynamism and sophistication of technology aid in identifying the kind of technology used for manufacturing and the necessary level of innovation needed from the buying function of the business. Continuous and separate production are often used when an ordinary commodity is not buyer-specific and is acquired in a routine, repeating manner. The kind of strategy the business chooses is greatly influenced by the technology it chooses and the level of innovation that the purchasing function must possess.

1.1.4 Purchasing Ethics

Procurement authorities will be better able to fend off claims of actual or apparent conflicts of fascination, criminal activity, theft, or corruption if they are conscious of and comprehend their ethical responsibility as employees in the purchasing team. Better service delivery is the result of best practices, which are influenced by ethical considerations while making judgments. Offering staff training is a crucial and efficient approach to keep ethical consciousness high in a company. In addition to training in more specialized areas like responsibility and law regarding administrative keeping documents, handling records, and procurement processes, ethics workshops and conferences can be offered. Employees in a company should aim to acquire and retain information and skills appropriate to their roles. Kenya's motor sector must also maintain proper keeping documents and record-keeping practices, as well as make sure that ethics and accountability are adequately handled in procurement procedures. To make sure probity is taken into account and accomplished, procurement procedures might undergo routine reviews or assessments.

1.1.5 Supplier Management

The typical approach with the organization towards suppliers is old fashioned in the sense that, its foundations include distrust, a legalistic mindset, and transient connections. The purchasing function in Simba Colt Motors Limited is characterized by differentiated purchasing and portfolio management, an uncommon approach, for suppliers. This contention aligns with the organizational division of procurement procedures into those associated with the other, facilitating processes and those linked to the primary processes. The shortage of qualified and experienced procurement staff in these circumstances may lead to the failure to take the appropriate diversified strategy toward vendors in those regions.

1.1.6 Profile of Simba Corporation Limited

The researcher will use Simba Corporation Limited, Motor Division in Nairobi, Kenya to carry out the resercher on examining the determinants of the buying role in the automotive sector. Simba Corporation's flagship company is Simba Colt Motors Limited. The late Abdul Karim Popat started the Group as a small used automobile sales company in 1948. Today, the Group's commercial activities include banking, property management, the hospitality industry, automobile manufacturing and transportation, and spare parts marketing. Founded in 1968, Simba Colt Motors Limited is currently a prominent player in Kenya's new car distribution industry. Furthermore to a large dealer network throughout the nation, the firm conducts its sales and servicing operations out of locations in Nairobi, Mombasa, Kisii, Nyeri, Narok, and Kisumu. Located in Nairobi along Mombasa Road, the Simba Corporation Headquarters serves as the center of the business's activities. Simba Corporation Limited, Motor Division has a dealer network that has expanded to nearly all regions of the republic of Kenya. The company has dealer branches in Mt. Kenya region in the towns of Meru and Nanyuki and is also represented in the Rift valley in the towns of Nakuru and Eldoret.

Customers of Simba Holdings Limited, Motor Division can choose from a full line of light, medium, and heavy-duty trucks and buses from Mitsubishi Fuso Truck and Bus Companies and passenger automobiles from Mitsubishi Motors, Mahindra passenger vehicles and Pick-up models and Proton passenger and commercial vehicles. The organization guarantees that everyone's motoring needs, whether business or personal, may be satisfied with its lease and trade-in solutions. Simba Corporation Limited, Motor Division goes on to say that in addition to selling automobiles, it also provides the whole motoring the container, which includes first-rate servicing, servicing, and supplies for all models in addition to top-notch customer support. Customers can expect state-of-the-art equipment, such as an automated engine diagnostic bay, at the business's garage and service facilities. This guarantees that every car is maintained and maintained to the highest possible levels of dependability and quality. The firm has a sizable inventory of authentic parts and accessories to ensure that owners of Mahindra, Proton, and Mitsubishi automobiles have a positive experience. The mission of Simba Corporation's Motor Division is to be the top automotive firm in the East African area and to offer its clients the best possible automotive experience. The company is devoted to being on the cutting edge of technology and to giving its employees, who are its most important assets, top-notch training (www.simbacorp.com).

1.2 Statement of the Problem

The well-known issue of central vs decentralized purchasing in the automotive sector is similar to the challenge of coordinating across departments of purchasing. Experience has often demonstrated that strict mandatory purchase though a central unit would ultimately prove to be ineffective. It does not appear to be ideal to have total lack of interdepartmental cooperation, nevertheless. The majority of companies in the automotive sector have made it abundantly evident that they lack precise buying policies, both within departments and between departments. Simba Corporation Limited, in particular, Motor Division has not been left out. From a preliminary research some provisional problems can be drawn in the organization. Firstly, there is no much data on purchasing records in Simba Corporation Limited, Motor Division. The department officials have paid relatively little attention to the buying function of the organization thus far. Furthermore, the company lacks a clear understanding of its buying role. However, given the limited quantity of information now accessible, one might argue that there are still numerous ways in which Simba Company Limited, Motor Division's buying function's efficacy and efficiency may be raised. The following areas required to be enhanced: purchasing operations, supplier management, staff availability, purchasing function organization, and purchasing processes and methodologies. Nonetheless, it's critical to understand the necessity of controlling the purchasing function and its potential. The buying function appears to be undervalued by the organization, despite its potential to improve efficiency and serve as a foundation for professionalization that would make it a potent weapon supporting every division and policy domains. Therefore this study aimed at examining the determinants of the purchasing function in the motor industry.

1.3 Objectives of the Study

1.3.1 General objective

The main objective of the study was to examine the determinants of the purchasing function in the motor industry with special reference to Simba corporation limited motor division.

1.3.1 Specific Objectives

The study's specific objectives were;

a. To assess the effect of purchasing regulations on the purchasing function in the motor industry in Kenya.
b. To investigate the effect of information technology on the purchasing function in the motor industry in Kenya.
c. To examine the effect of purchasing ethics on the purchasing function in the motor industry in Kenya.
d. To establish the effect of supplier management on the purchasing function in the motor industry in Kenya.

1.4 Research Questions

a. What is the effect of purchasing regulations on the purchasing function in the motor industry in Kenya?
b. How does information technology affect the purchasing function in the motor industry in Kenya?
c. To what extent do purchasing ethics affect the purchasing function in the motor industry in Kenya?
d. In what ways does the supplier management affect the purchasing function in the motor industry in Kenya?

1.5 Justification or Significance of the Study

1.5.1 Management of Simba Corporation Limited

The management of Simba Corporation Limited, Motor Division have realized that they are responsible not only to shareholders, but also to the community and environment. Therefore, this study should be of great importance to organizations in the motor industry in the future, to give them knowledge on how to deal with external stakeholders in the purchasing function.

1.5.2 Purchasing Managers in the Motor Industry

Purchasing managers are highly targeted in this project. All purchasing departments are chaired by purchasing officers where the skills of purchasing are vital for any manager. These managers are responsible for purchasing contracts that take place in their organizations. Hence good purchasing function skills and solutions to deal with challenges that come with poor management of purchasing process are necessary. This research should be useful to individuals since it gives guidance on how to face challenges that occur in the purchasing function. Good management of the purchasing process in an organization would ensure that an organization’s purchasing policy, production technology as well as supplier management are well monitored for the best results in the purchasing function in the motor industry in Kenya.

1.5.3 Government Institutions

Leaders in government institutions need to be taught about purchasing function management skills. This study provided guidelines for challenges that are faced by the purchasing managers in achieving the efficiency required by a firm. For example, leaders in the business world need to research and develop on latest and most sustainable ways of purchasing in institutions. This study provided the solutions to the challenges faced by purchasing managers trying to achieve efficiency of an organization through maintaining the purchasing function.

1.5.4 Future Researchers

The data in this study will be useful to future academics in their quest to learn more about effects of the purchasing function in achieving efficiency in the motor industry in Kenya. In addition, future researchers would be able to improve purchasing function in any organization by developing this study further.

1.6 The Scope of the Study

The study was to examine the determinants of the purchasing function in the motor industry in Kenya with special reference to Simba Corporation Limited, Motor Division in Nairobi, Kenya. The organization is located along Mombasa Road directly opposite Panari Hotel in Nairobi. The study took into consideration four variables which are purchasing regulations, information technology, purchasing ethics, and supplier management. The study targeted a population of 300 respondents from Simba Corporation Limited. The study was carried out within a period of five months from October 2023 to February 2024.

1.7 Chapter Summary

The study's background on the purchasing function's operations, Simba Corporation Limited's profile, the problem statement that impacts the purchasing function within the organization, the study's objectives, research questions, the study's significance to Simba Corporation Limited's management, purchasing managers in the motor industry, government institutions, and future researchers, the study's limitations, confidentiality of information, accessibility, and scope are all included in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

A thoughtful paper's content, a literature review combines current data with theoretical and practical commitments to a particular issue. This chapter contains the various literatures that exist on matters concerning purchasing regulation, information technology, purchasing ethics as well as supplier management and their effect on the purchasing function in the motor industry in Kenya. The literature found in this section was sourced from a variety of books and the internet.

2.1 Theoretical Literature Review

The resource-based view, stakeholder theory, institutional theory, transaction cost theory, and resource dependence theory are some of the ideas that will serve as the foundation for this study.

2.1.1 Resource based view (RBV)

According to the resource-based view (RBV) of a business, the desire for competitive advantage motivates corporate action. Supply chain participants seek to influence production factors in a competitive market to give themselves an edge over rivals. In the literature on strategic management, the RBV is important. When a business faces capacity or existing competition and does not follow a value-creating strategy, it may lose out to competitors who do. As long as no viable or existing competitor replicates the company's total performance position, this advantage may be maintained.

According to the RBV of companies, ownership of resources or skills is a necessary component of advantageous resource diversity, but resource immobility explains why it is difficult to acquire or use resources because of their high cost. These presumptions underpin sustainable competitive advantage, which offers a framework for figuring out whether a method or technology actually gives an edge over competitors.

A company's RBV shows how innovation, R&D methods, technology control, and human capital management all play a major role in preserving competitive advantage and are difficult to replicate. Thus, the development of sustained competitive advantage creation and enhancement is encouraged by the adoption of resource diversity (intellectual human capital and skills) and resource stagnation (complex technique of constructing/attaining).

Relationships in the supply chain can be complicated since materials handled or held by various numbers may serve distinct purposes. According to the Resource-Based Value (RBV) idea, supply chain relationships may be shaped by implementing real, cooperative value-based asset pooling. Immobility, uniqueness, and sustainability are examples of resources that may strengthen supply chain partnerships and provide value. Equity joint ventures, minority equity alliances, bilateral a contract-based alliances, and autonomous contract-based alliances are the four categories of supply chain alliances that Das and Teng (2000) distinguished.

Resources may benefit a company by adding value, lowering input costs, and improving outputs. They could be organization-specific, inaccessible to anyone other than the developing firm, or less expensive if kept outside from the actual business. Furthermore, resources are probably asset-based, meaning they cannot be developed all at once and must accumulate over time.

2.1.2 Stakeholder theory (ST)

The supply chain creation reasoning based on stakeholder management views businesses as a "nexus of contracts" including a variety of parties, such as rivals, suppliers, workers, investors, and regulatory bodies. Due to their respective positions of power over corporate resources and ability to reach consensus with participants, top managers serve as the organization's key contractual marketing. Relationships with stakeholders are important because they enable a business to accomplish its goals. Stakeholder relationships are constantly in jeopardy, though—either intentionally or unintentionally. Businesses must take into account the legitimate interests of all pertinent stakeholders when making critical operational and strategic decisions in order to practice effective stakeholder management.

Regarding the shareholder principle, a prevalent misperception is that all stakeholders are created equal. Understanding which groups of stakeholders are most memorable and addressing "moral dilemmas"—situations in which the interests of multiple stakeholders conflict—are key components of efficient stakeholder handling. Based on the idea that organizations are systems of cooperation, corporations frequently take the lead in harmonizing the needs of stakeholders. In order to accomplish shared goals, organizations frequently build coalitions—also referred to as celestial bodies, relationships, and strategic networks—with stakeholders. These relationships of cooperation have the potential to be an effective tool for bringing stakeholder interests into line and assisting a business in lowering the uncertainty surrounding the environment.

2.1.3 Institutional theory(IT)

According to institutional theory, firms under pressure from their institutional contexts to conform to existing social standards and look legitimate. Within the framework of an enterprise, organizations are driven by institutional constraints to seek objectives that enhance their legitimacy and conform to the rules, regulations, and standards of their business environment. Corporate involvement in supply chain connections is one approach to do this. For instance, by forming alliances with bigger, more established companies, a small business might improve its recognition, standing, image, and prestige. This tactic has the potential to yield large rewards, like elevated prestige and credibility in professional environments.

More importantly, increased legitimacy can lead to additional connections that provide a business access to vital resources and knowledge. Institutional forces also push businesses to engage in supply chain partnerships for other purposes, such affiliation with prominent philanthropic groups or organizations that advance socially relevant objectives. Empirical studies that establish a connection between institutional concept and supply chain interactions have verified the significance of image. Schermerhorn and Shirland (1981) discovered that hospital supply chain control cooperation levels were correlated with image situations.

Institutional theories play a useful role in describing business behavior in the context of supply chain relationship building. Businesses are driven to comply in order to remain appealing and to survive; they frequently copy or duplicate established business practices. This idea aligns with the theory of mimetic isomorphism, which postulates that managers of businesses either intentionally or inadvertently imitate the strategies of prosperous enterprises. As demonstrated by Powell et al.'s (1996) study of the biotechnology sector, where businesses without relationships have become rare and generic firms have multiple partnerships, the prevalence of relationships within the supply chain in some industries may be excessive. This finding suggests a population ecology explanation for the development of partnerships in the supply chain.

2.1.4 Transcaction cost theory (TCT)

A popular idea in supply chain management is transaction cost theory (TCT), which focuses on how businesses may set up their supply chains to cut down on both production and transaction costs. Production costs can differ depending on a number of factors, including area advantages, scale of activities, knowledge of outcomes, and private impacts like proprietary information and patents. The expenses associated with planning, organizing, and overseeing cross-market transactions are included in the range of transaction costs. Transaction costs are increased by trade associates' ability to behave opportunistically.

Markets and hierarchies are the two kinds of structures that Williamson (1985) recognized; he subsequently included the importance of supply chain interactions. TCT is predicated on the idea that every transaction a firm does will have the greatest chance of success. The main use of TCT is in make or purchase choices. In a free market, purchasing an ordinary good from a skilled manufacturer is usually less expensive for a firm than producing the product internally. A business could, however, construct an other marketplace if the current one collapses and transaction expenses are too high.

An alternative to a market or organizational hierarchy is a supply chain relationship, which includes a supply chain network structure. The option to "make or buy" is expanded to "make, buy, or partner." Through ownership incentives, joint ventures, for instance, assist businesses in avoiding the expenses associated with opportunism and monitoring that are inherent in marketplace transactions. They also enhance the probability that partners would refrain from opportunistic behavior in the interest of preserving the partnership. These are the reasons why global supply chains are so popular.

TCT, however, is restricted to the cost-minimizing and efficiency justifications for partnerships, which can be established for a variety of reasons, such as authority and mastery. Other important factors for supply chain alliance development, such as the perceived equality of an ability alliance associate, are overlooked by TCT's emphasis on both performance and value. Furthermore, the natural TCT structure assumes that everyone in an association will get together and that the business environments of the members would merge seamlessly, which leaves out a lot of organizational and "people" difficulties.

2.1.5 Resource dependence theory (RDT)

A strategic method for comprehending how firms become reliant on other people for materials, products, and substances is called resource dependency hypothesis, or RDT. It focuses on how businesses may lessen environmental uncertainty and successfully manage these interactions. RDT is especially important in the setting of supply chains, as participants cooperate to accomplish shared objectives and grow more reliant on one another.

By emphasizing the employer's desire to utilize and integrate resources outside the company's environment, RDT enhances the Resource-Based Business Model (RBM). While small businesses look for access to funding and sales channels, giant pharmaceutical organizations and small biotech companies frequently employ this strategy to leverage their study and entrepreneurship energies. Trade groups and other types of partnerships serve distinct resource demands.

RDT is not a perfect explanation for supply chain alliance development, though. It doesn't explain why companies would look for alternative ways to make up for perceived resource shortages than collaborations. Alternatively, tactics such as mergers and acquisitions, hiring top talent from rival companies, and obtaining fresh funding through market purchases are frequently selected. Furthermore, no company can operate in a vacuum; in order to obtain the resources they require, businesses must engage with their surroundings.

Rather than concentrating on the more intricate theoretical undertaking of explaining skill growth and inter-company exchanges of abilities, RDT emphasizes the necessity of essential resources and social interchange. To sum up, RDT offers a more thorough grasp of how businesses create competences, but it does not go into great depth on how skills are created or how talent is transferred across companies.

2.2 Empirical Literature Review

It is considered that when an organization purchases a set of goods, it wants to maximize the overall amount of money made. However, while making a purchase, the buyer wants to get it for the least amount of money. Previous investigators on this project did not offer any insights into the optimal approach for estimating costs. Creating auctions with the goal of lowering expenses or generating income is challenging due to the complexity of identifying equilibrium tactics. This research has not stated any mechanism that purchase officers can go about to reach at the equilibrium strategy. Hence they are highly challenged on how to deal with such issues of reaching equilibrium. This research denotes that, new and easy mechanisms can be used to arrive at considerable agreements but it does not give clear information on these mechanisms that can be used. It is evident that each and every purchasing officer would like to ensure Low Transaction Costs on all purchases done for the organization. Furthermore, both the suppliers and the consumer want to keep the expenses associated with purchasing as low as possible. Postponing the acquisition's completion incurs transaction costs as well there is need for purchasing officers to be fair when making procurement decisions.

Purchase specialists must manage opposing forces as a result of the interaction between different demands on the acquisition function, which are not continuous factors. This research does not explain how these forces interact and conflict with each other. For example, It is clear that there are compromises between environmental influences, and these experts need to look for the best possible outcome.

In order to fulfill the professional growth requirements of the procuring personnel inside the business, lawmakers as well as leadership must conduct a thorough examination of this component of the labor force. It is crucial because institutions to get concerned with the shortage of a procurement workforce for the purpose of filling the available gaps in this department. This ensures that activities in the procurement department are carried out without delays and deliveries to customers are made within the required period. This study has not provided ways of ensuring that there are no gaps in the workforce. It is important for purchasing officers to realize that this shortage of workforce is real and has been experienced through many institutions at all levels recognizing the impending loss, via accusations and retirements of an important number of its seasoned workers in the buying department. In both the government and private sectors, getting is a very complex job that calls for a broad understanding of several academic fields, including politics, economics, government management, financial management, marketing, law, business analysis, technology, and building design. Still, it is very difficult for purchasing managers to integrate these disciplines and this requires a lot of training for the procurement staff in the organization.

2.2.1 Purchasing Regulation and purchasing function

All organizations in the motor industry are advised to implement their purchasing and procurement activities according to the PPDA, (2005). The purchasing regulations for any organization are based on the PPDA, (2005) in the constitution of Kenya. This Act defines the processes and procedures involved in the purchasing function which are to promote efficiency and effectiveness in purchasing and to make sure the buying processes are carried out in a fair, open, and inclusive a way, helping to create an a noise economy in Kenya. However, the majority of motor sector groups have created their own acquiring guides, which differ greatly in content and dimensions. According to Caridi, Sergio, and Cristina (2004), comparison is an essential tool and strategy that can be used to assess a company's achievements and assure effectiveness in various areas of the company's operations. According to Naylor, comparing is the process of identifying and analyzing the globe's or sector's best companies and procedures, then using this information as the foundation for development across the board in all facets of the firm (Lysons and Farrington 2006). Many firms have stressed the value of comparing in achieving improved buying department performances and general business success. Companies in Kenya's automotive sector should pay close attention to how benchmarking is used in procurement and how it affects both the buying process and the company as a whole. It is clear that comparisons improves procurement productivity significantly and positively affects company profitability indirectly. The majority of the time, interdepartmental level procurement has been a component of additional policy fields in several Kenyan automobile industry associations. For instance, integrating workforce and technological innovation approaches into purchasing may not be beneficial to the firm.

In the framework of procurement discussions, a number of regulations are necessary to control contract auctioning, the factors and characteristics that should be taken into account to identify the recipient or winners of the agreement, the selection of the successful vendors, and the sum of money that must be paid. Purchasing regulations must look at various issues that constitute effective purchasing function in an organization. This study described some intuitive properties that a purchasing officer should look for while designing a purchasing mechanism. Such a procurement mechanism need to be Resolution Equilibrium, in which the ideal state of the procurement technique's solution occurs when no actor desires to modify its offer in light of the knowledge it possesses about other actors. Assuming certain facts regarding rationality, accessibility of knowledge, and agent inclinations (buyers as well as sellers), a wide variety of equilibria may be calculated. These consist of weakly prevailing equilibrium, then Probabilistic Nash Equilibrium, and Nash homeostasis. A buying mechanism's overall evaluation should be based on its efficacy (Hohner et al 2003). The predicted effectiveness in such a system is known as Pareto efficacy, which states that no actor may increase the distribution without impairing the situation of an additional individual. Allocative productivity, which is attained when the combined happiness of each of the recipients exceeds the maximum, is an additional efficiency statistic that may be applied. The assets or things are distributed to the agents that value them the highest when the total efficiency of allocation is reached. In reality, there is a close relationship between these two ideas when the utility values take on a certain shape.

The purchasing function should consider Individual Rationality where allocations in the purchasing mechanism do not make any agent worse off than the other. That is, participation in the process confers a non-negative benefit on each actor. Purchasing officers should ensure that there is a Budget Balance in the purchasing function. According to Chang et al (2004), If the total of the financial transfers involving the seller of the product and the buyer is not unfavorable the payment mechanisms is said to be highly budget controlled; if it is zero, it is considered to be moderately budgetary managed. Stated differently, the financial balance protects against losses for the bidder or the purchase method. To guarantee that there are no failures in the company, it is crucial that buying technologies function as planned in all but the worst circumstances. Transparency is also crucial since it makes it easier for bidders to grasp the circumstances and make decisions. Furthermore, it strengthens their confidence in the bidding procedure by enabling them to confirm that the purchase guidelines have been adhered to.

Incentive Compatibility is one of the major regulations that must be followed when suggesting a purchasing mechanism. If the buying officers bid according to their real assessments of the items, then the system is incentive compliant. An incentive consistent mechanisms is classified as Probabilistic Nash incentives compatibility or the most dominant motivation compatible based on the point of equilibrium reached via honest bidding. The latter scenario refers to the method as strategy proof. When an arrangement is approach proof, every officer's choice is based only on local data, and there is no benefit to spending time and energy modeling the assessments of other agencies. The company's buying department has to have Solution Reliability as well. If no specific group of individuals could have reached a decision independently of the process and done better than expected, then the system's result is permanent. They should have a configurable bidding/purchasing system, (Mehra and Anthony, 2004).

2.2.2 Information Technology and purchsing funtion

Information technology, as defined by Baltzan and Phillips (2009), is any computer-based tool that humans use to interact with knowledge and assist with its processing, including data gathering and storage. The internet, a desktop computer, a smartphone with online connectivity, and PowerPoint are examples of the use of IT. Every technology listed above aids in the completion of particular information processing tasks. The way buying functions is carried out in the automobile business is being significantly altered by the World Wide Web and e-commerce. Terms like "e-purchasing" and "e-procurement" have become commonplace as a result of internet-based procurement. The type of technology utilized in the purchasing function's manufacturing has a significant impact on the effectiveness of the company. In a competitive marketplace, buy order placing, order monitoring, and follow-up all require effective communication, which is made possible by the speed and convenience of building online platforms. Reverse auctions and improved negotiating are possible additional benefits. With auctions in reverse, purchasing companies can post requirements, invite bids from providers, and select the lowest-priced bidder. E-procurement is regarded as one of the qualities of a top-tier purchasing company. The dynamism and sophistication of technology aid in identifying the kind of technology required for manufacturing and the necessary level of innovation needed from the purchasing portion of the business (Vries and Vohra 2005). Continuous and autonomous production are typically used when a standard commodity is not buyer-specific and is acquired in a repetitive, routine manner.

Some businesses have seen price reductions for items and services, shorter processing of orders and completion times, lower administrative expenses and hassles, increased oversight over off-contract expenditure, and enhanced management of stocks as a result of using e-purchasing systems. It enables businesses to grow into virtual entities and exchange information. Using a single, connected to the internet online assistance system, e-buying or electronic purchasing entails addressing all requirements for both produced (direct) and non-production settings (indirect) purchases. Delivering an adaptable catalog strategy, offering resources for in-depth analyses and reporting, assisting with strategic sourcing, and improving supply-chain teamwork and coordination among partners are all part of it. The kind of strategy the business chooses is greatly influenced by the technology it chooses and the level of innovation necessary in the purchasing department. Due to the buying department's increased involvement in supply chain management, many businesses now view it as a crucial component of their success. Good buying performance thus becomes essential to the company's continued profitability (Sheffi, 2004).

A buying organization is constrained by certain less manageable aspects, such as the firm's dimension, technological advances, and the outside world. Appropriate structures and tools must be implemented for the purchasing department to function effectively and successfully in such an intricate setting. When implemented properly, IT may provide several key benefits, including simpler and quicker process flow, effective information dissemination, democratization of activities and decision-making, increased openness, and improved control. IT also supports business partner procedures in alongside internal ones, which contributes to its increasing significance in purchasing administrators' day-to-day operations.

There has been a lot of excitement in using the use of EDI and other technological tools to improve the efficiency of the goods acquisition process. Numerous firms within the Kenyan auto sector have acknowledged the possibility of cost reductions as well as prospects for enhanced profitability. Nevertheless, the buying function still uses EDI communication relatively little in practice, even with the business's enthusiasm for it and years of research effort (Davenport, Bichler, Hohner, and Kalagnanam 2005). Lead times are shortened as purchasers and vendors collaborate in real-time; storage expenses are decreased and productive capital is released; Just-In-Time concepts are promoted; satisfaction is improved; marketing, buying goods manufacture, and finance are integrated; paper-based agreements are discouraged; order cycles are shortened; inventory is decreased; and immediate data about what is available and inventory is provided.

Modern electronic contracting systems are relying more and more on computerized processes because they offer a potential means of automating negotiating with vendors and accomplishing the ideal objectives of cost reduction, agent-based implementation, and procuring productivity. A growing number of buying administrators and purchasing specialists are beginning to doubt that the Internet can completely transform their companies' purchase procedures. One benefit of IT is its ability to provide the right items, at the proper moment, at the correct level of excellence, and in the proper amount, from the proper vendor to the right customer (Bailay 2005). Because more information is easily accessible and can be shared with stakeholders more easily as a component of the process of deciding, IT has had a substantial impact on purchasing. The primary benefit of this kind of arrangement may be that those in authority may exploit the client by gaining access to more data about them than they would have in a traditional procurement control situation. Simba Colt Motors' capacity to make material purchases more quickly has significantly risen because to its utilization of computer technology.

The significance of purchasing appears to be increasing due to the development of worldwide purchasing networks and the rising prevalence of freelancing in numerous industries, according to recent developments in business circles. The act of buying has changed significantly at the same time. The researchers have collaborated with a sizable multinational corporation where consistent, centrally controlled purchasing methods have replaced decentralized, fragmented buying procedures. A single, centralised entity oversees all worldwide buying choices. The use of ICTs have reshaped purchasing procedures both inside and across enterprises, which is partially responsible for these developments. A first level breakdown of the process of purchasing produces four separate stages: supplier discovery and analysis, choice of suppliers, mechanized transactions the platform, and supplies chain scheduling and oversight. The process of buying itself may be broken down systematically. Discussions, a critical component of the selecting suppliers the platform, have historically depended on human-based procedures with minimal assistance from technology, even though numerous facets of procurement in each of the other three phases have profited from the deployment of ICTs and decision technology.

This has altered with the latest developments in information and communication technologies, notably the Internet's explosive expansion. The use of the behavioral sciences, mathematical frameworks, and software programs utilized in the process of buying is having an additional impact on this vector of change. According to Mehra and Anthony (2004), the web's enhanced capacity for computation and communication has made it possible to streamline provider choices in purchasing. Computer science and procurement technology perspectives must be incorporated into the development of such computerized discussions in order to inform procurement models and processes. Three closely linked methods to computerized purchase systems have benefited from these multidisciplinary studies: the creation of purchasing assistants, software for purchasing representatives, and web-based auctions sites and economics process design. Integrative and dispersed purchasing refers to what is needed of a broad range of purchasing situations, which are addressed by each of these techniques. Furthermore, a lot of big businesses have already implemented computerized auction-based negotiating techniques or are in the beginning stages of doing so for their procurement departments. For several of its purchasing processes, Simba Colt Vehicles Limited, for example, has embraced online bidding.

2.2.3 Purchasing Ethics and purchasing function

The moral standards of behavior or ideals that inform authorities of what is either positive or negative and right or improper in all facets of their employment are known as ethics. The ideas of openness, honesty, honesty, care, equitable treatment, confidence, reverence, and continuity are all included in ethical behavior. Eliminating problems with personal interests and abusing one's position are two examples of ethical conduct. One of the main preconditions that interact to affect people's and organisations' moral norms is standards of morals. A key component in elevating an organization's ethical standing is its code of conduct. The following are some advantages of ethical codes: they give people a foundation for cooperation; most codes demand that individuals treat one another with respect; they establish limitations for what is considered ethical behavior based on managerial human rights and commercial principles, such as statements of interest, knowledge anonymity, rivalry, business gifts, and the hospitality sector; and they offer a widely accepted set of guidelines that make it possible to judge what is right or wrong in a particular situation consistently, so they help to eliminate ethical inconsistencies. Since government purchasing includes the use of taxpayer funds and is open to public inspection, responsible conduct is crucial. Officials in a corporation, such as buying managers, ought to conduct themselves morally and equitably, even when conducting business (Norwell 2003). Ethical conduct encourages accountability as well as disclosure in the procurement process and provides suppliers with assurance to engage in the market. In addition to lowering the expense of controlling risks related to theft, dishonesty, dishonesty, and other inappropriate behavior, ethical behavior may also boost trust in the management of a business.

Scandals pertaining to purchasing among authorities in automobile industry groups have become a regular occurrence, adversely affecting the caliber of services meant to assist employees. According to Michael and William (2002), corruption has resulted in major losses of public monies due to improperly managed procurement processes and blatant thievery. The finding mentioned above may be explained by the reality that representatives from the company appear to have neglected their main duty of guardianship. They are custodians of a particular trust that the company has bestowed upon them and custodians of the assets belonging to the company. They must agree to put the interests of the business ahead of their own in exchange for this respect. The prevention of unethical behavior, such as nepotism, pervasive favoritism, and dishonesty, to name a few, necessitates expertise in organizational purchasing. Achieving equality, openness, responsibility, and justice, as well as rivalry, secrecy, economy, and efficacy in ethics, is the goal of purchase professionals. When there is little regard for procurement ethics, even if the great majority of the buying managers may be morally upright, at least in their everyday lives, they all suffer from diminished organizational trust as well. Events including the acquisition of trash equipment, fake medications, air supply, and the delivery of subpar work at the local and national levels lend credence to this.

The Public Procurement and Disposal Act of 2005 established Procurement Policies and Procedures (PPP), which regulate sourcing, contracting, and spending within an organization. These include approval, discrimination, and limitations on comparable and unrivaled purchasing, purchasing goods, agreements awarding, and disagreement of interest. PPP's goal is to guarantee that procurement, contracting, and sourcing processes inside companies are morally, effectively, and responsibly done (Chang et al 2004). Through an emphasis on value for money, the elimination of redundant activities, the creation of clear pathways for supply activities, the reduction of conflicts, the assurance of quality service delivery, and the enhancement of vendor relationships, the PPP achieves financial conservation, process efficiency, client service, risk management, staff involvement, and vendor relationships. Due to the intricate nature of procurement, the magnitude of the money that that the company creates, and the tight relationship between both the private and public industries, the majority of procurement operations in the automotive industry are susceptible to waste, fraudulent activity, and mismanagement.

According to Michael and William (2002), the present crisis in many companies in the automobile sector has drawn special attention to acquisition integrity, since faster procurement processes and stimulus funding worth billions of dollars have increased risks. In order to ensure a robust and orderly recovery, the Kenyan motor industry must aggressively work to provide fair competition and equal opportunity for contractors. Policy makers can improve integrity in the buying function within Kenya's motor sector by following the guidelines outlined in the guidelines for increasing integrity in government tendering. Four pillars serve as their anchors: ownership for and oversight in procurement operations, transparency, competent leadership, preventing wrongdoing, and adherence and surveillance. When conducting purchasing operations inside a company, purchasing officials need to keep the notion of probability in mind. The proof of moral behavior in a certain procedure is called probability. The definition of probity is total and verified integrity, morality, and truthfulness. It helps ensure that purchase and procurement procedures are fair and provide all parties involved equal chances. When common sense is combined with probity, good results are obtained.

Rather than being a stand-alone factor, probability need to be taken into account in all aspects of purchasing strategy. In order to facilitate mutual trust, openness, and respect between providers and buyers, procurement must be done with truthfulness in mind. Conducting business in a fair, reasonable, and honest manner is made possible by using an ethical and open attitude. Additionally, responsible conduct makes it feasible for procurement to be done in a way that promotes fair competition among all providers who participate. The guidelines governing the process of purchasing must be transparent, easily understood, and implemented equitably to all involved parties. The company's purchasing executives shouldn't try to profit from supplier behaviors that are dangerous, immoral, dishonest, or unacceptable (Norwell 2003). When procuring services, it is important to remember that buying managers have the same level of accountability for the goods or services they get as if they had performed the service personally. In the course of conducting business, problems of interest can occur, particularly in the procurement process. There are a plethora of potential conflicts, such as financial interests, regulatory interests, affiliations with other organizations, and indirect private interests. Procurement authorities must avoid letting personal, professional, or familial ties unduly affect them while performing their duties.

Value for money, which emphasizes the significance of moral conduct and resource utilization, is the fundamental tenet of Simba Colt Motors' buying function. By guaranteeing the greatest possible purchasing what happens, ethical standards improve the company's image in the community and boost corporate trust in the procurement procedures. Procurement employees have access to sensitive or private information; thus, they should not abuse the position they hold. Using insider knowledge that was given to the company during a tender procedure, whether for one's own gain or the advantage of another, is immoral. Such actions are punishable by law. Workers in the buying department should be aware of any possible conflicts of interest and refrain from taking use of their position to obtain or pursue benefits. They also need to steer clear of conflicts relevant and impressions of excessive influence. Employers should have faith that hiring managers make judgments that are fair and equal, compliant with legal requirements, organizational policies, and contractual terms, and that their selections are unbiased and competent.

2.2.4 Supplier Management and purchasing function

One of the most important parts of buying is procurement, which is mostly affected by supplier management. It entails having to take care of the procurement of goods, services, and materials. Within Kenya's automotive sector, procurement is becoming more and more recognized as a professional role. This position is filled by buyers, buying agents, or supply managers, with varied levels of seniority according on the size of the company. Four elements define the significance of purchasing: the types of goods that are bought, the dollar amount of purchases, the proportion of product cost accounted for by products in order and the availability of supplies. When acquiring materials, purchasing must take into account whether they are purchased in unstable markets with constraints and unstable prices, or if they are easily accessible in a marketplace that is competitive. To solve these problems, expert purchasing specialists must do creative analysis.

Sheffi (2004) argues that companies that spend a large percentage of their capital on materials may save a lot of money by using effective procurement practices. Material cost reductions of even a modest amount can boost profit margins considerably. It is critical to have authority over the the availability, quality, pricing, and services of goods by purchasing and supply staff. Big businesses employ a variety of materials, which makes it possible for innovative procurement practices to have a big impact on terms of service and cost. On the other hand, tiny businesses employ few conventional manufacturing or supply materials, which means that even skilled purchasing staff make little money. Close cooperation on specifications, information flows, and product development is required in just-in-time (JIT) buying partnerships.

Studies reveal that linkages pertaining to just-in-time (JIT) purchasing have a major influence on the company's decentralization because it design, and performance assessment. Better performance, less incoming inventory, and better financial and economic outcomes follow from this. The purchase operation, nevertheless, is still in place. The antiquated, short-term, and distrusted old method for dealing with suppliers is being used. One possible explanation for this might be the lack of qualified and experienced procurement staff. The buying function is in charge of ascertaining the needs of the company, choosing the best source of supplies, guaranteeing reasonable rates, and forging advantageous connections with suppliers. This entails deciding what to buy, where to acquire it, how much to put down, and using negotiation of contracts and solid supplier connections to guarantee its availability.

In the automobile businesses, the purchasing division is in charge of organizing purchase requirements with user departments, finding possible suppliers, analyzing proposals, choosing providers, issuing orders for goods, meeting with representatives from sales, negotiating, managing contracts, addressing purchasing-related issues, and keeping purchasing records. Procurement staff are taking on more duties as purchasing becomes an increasingly important part of the automotive industry. These duties include developing material and service needs, managing recovery activities such as surplus and scrap salvage, overseeing inbound journeys, and performing important and value-analysis research studies.

Within a company, purchasing procedures are separated into main and collaborative operations. Purchasing, the inventory, taking in, stores, warehouses, materials interacting with, planning of production, scheduling, and control are just a few of the many facets that make up supplier management. The buying function and efficiency in operations are enhanced by this division. All tasks related to the acquisition of raw materials, final delivery, and handling clients are included in managing materials. Strategic planning, which includes partnership agreements, threat and opportunity identification, long-term purchase planning, and ongoing buying function improvement, is the responsibility of procurement managers. Establishing deep ties with suppliers, encouraging candid communication, and creating a long-term strategic partnership orientation for shared objectives are all benefits of strategic procurement.

In order to create value for the function of purchasing and to establish partnerships and information exchanges that add value between a company and its vendor partners, strategic buying is essential. Procurement managers participate in cross-functional teams, choose and qualify suppliers, and make sure that suppliers are included as early as possible in the creation of specifications and products. Procurement managers in Kenya need to think about ways to maintain a steady supply of goods and services to support operations in order to guarantee efficiency in the automotive sector. To reduce inventory loss and expenditures, they must make prudent, competitive purchases that strike a balance between price, quality, and service. To achieve maximum integration and efficient collaboration, it is important to maintain positive ties with active customers and the manufacturing community. Standardization, simplicity, and keeping up with market developments are all part of supply management.

According to Bichler et al. (1999), in order to prevent duplication, garbage, and obsolescence, the buying function must educate, foster, and inspire professionally qualified staff. They have to be able to evaluate and document the long-term costs as well as accessibility of the a company's main purchases. In order to increase efficiency and earnings, it is necessary to conduct ongoing research for novel and alternative concepts, goods, and materials. Proactive, moral, and effective management of the buying process is also necessary. The buying function is ultimately responsible for keeping an eye on and managing the efficiency of the providers until contract negotiations are completed after finding suitable vendors and obtaining contracts. Every procurement organization in Kenya's automotive sector needs a vehicle to evaluate supplier efficacy. In order to properly monitor provider performance in several categories such as quality, quantity their delivery, on-time delivery, prompt delivery or just-in-time, cost, and intangible items, many companies have formal supplier-evaluation processes in place. For certain businesses, certification is the outcome of reliable supplier performance.

The certification of a supplier often indicates—or in certain situations expressly states—that the supplier has completed an official educational program, has established constancy in his operations, and has exhibited a dedication to quality and delivery. Businesses in the automotive sector can often accept deliveries from approved suppliers and avoid the receiving and inspections process entirely. In terms of supplier oversight, the consumer is also in charge of keeping cordial connections with the company's suppliers. Future business transactions may be jeopardized if the buyer is an uncompromising negotiator and prevents the supplier from earning a sufficient profit (Michael and William 2002). The supplier may decide not to work with the customer again or sharply raise the cost of a good that the buyer could not get elsewhere. Additionally, if a customer persistently requests preferential treatment, such expediting or frequently altering the delivery timetable for a certain item, the relationship may become strained.

2.3 Summary and Research gaps

This section has provided the literature review and has analyzed several variables which are the determinants of the purchasing function in the motor industry. Due to the continuous changing environments and globalization of various aspects in the purchasing field, the purchasing departments of various purchasing organizations need to change their ways of conducting purchasing activities so as to get in line with the changing and modern purchasing environments.

From the review we have been able to see how purchasing regulation is a crucial component of attaining effectiveness in the purchasing function in an organization as it lays various rules that govern bidding of contracts.

This review has also addressed the importance of information technology in creating efficiency in the purchasing function as communication is required in competitive bidding which has resulted to reduced prices and buyers obtaining the appropriate goods at the appropriate time from the appropriate providers.

It is also evident that professionalism is a very delicate and important factor that should be carefully executed in ending unethical behaviors in the purchasing function.

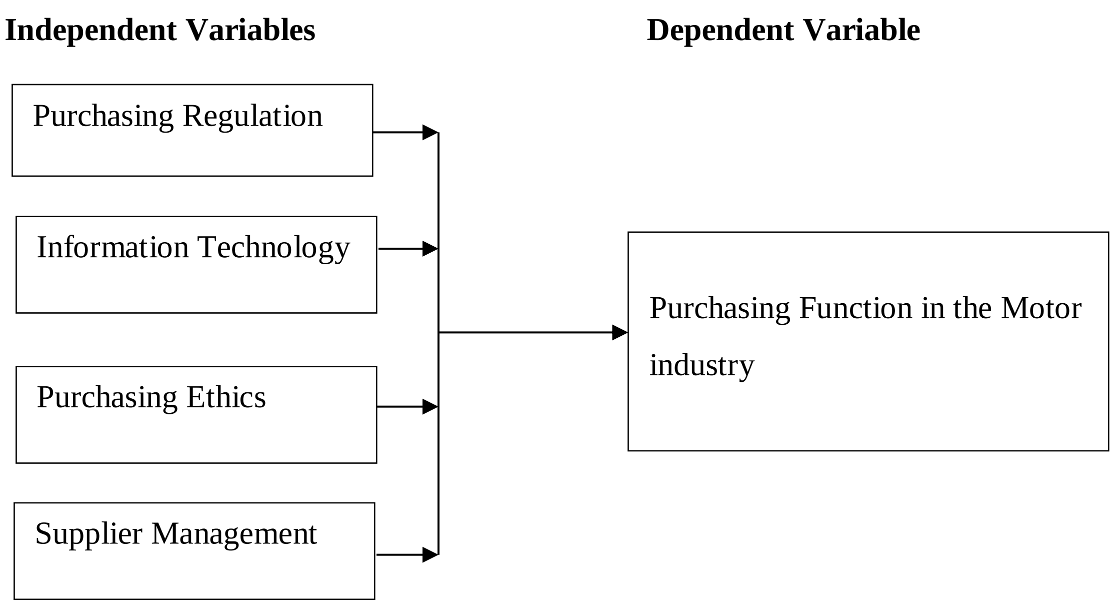
Finally the review analyzed the purpose of supplier management in light of achieving efficiency in the purchasing function and noted that it has a significant impact in selecting the best and reasonable suppliers in the purchasing of goods.

The study consequently endeavors to fill the gaps found in earlier research that looked into every conceivable angle thought to be a determinant of the purchasing function with respect to achieving efficiency in the motor industry in Kenya. This allowed for the identification of attempts or solutions for resolving the issues that the study had shown.

2.4 Conceptual Framework

The independent and dependent variables were the primary subjects of the conceptual framework. Characteristics of the procurement function in the automotive sector are the variable that is dependent in this study, whereas purchasing regulation, technological advancements, shopping ethics, and the management of suppliers are the independent factors.

Figure 1: Conceptual Framework



Source: Author (2024)

2.5 Operationalization of Variables

In this section the researcher shall be expected to define and measure the variables of the study so that they can be understood by the readers. The variables in this case shall be the purchasing regulations, information technology, purchasing ethics and supplier management.

Table 1: **Operationalization of Variables**

VARIABLE	INDICATORS	MEASUREMENT
Purchasing Regulation	Efficiency rating Empoyee engagement Risk management Vendor relationship Enhance ethics	Very high High Fair Low Very Low
Information Technology	Efficiency rating Effect on price Proceesing time Inventory controll Adminstrative costs	Very high High Fair Low Very Low
Purchasing Ethics	Efficiency rating Enhance confidence Managing risks Customer service Financial stewardship	Very high High Fair Low Very Low
Supplier Management	Efficiency rating Supplier performance Supplier availability Supplier relationship Value for money	Very high High Fair Low Very Low

2.6 Chapter Summary

This chapter provides an overview of the study's theoretical literature review. It highlights the pertinent challenges that are being looked at, demonstrating exactly how the literature review relates to the research questions. It also provides an empirical literature review that describes the work of other researchers, identifies gaps in the literature, and details the methodology they employed. It also provides further information on the research gaps and summary, which specify the methodology of the study. It includes the conceptual framework and provides further information on the operationalization of variables, providing a narrative explanation of the chapter's diagram.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

The method used in the study, research design, population of interest, sample, and sampling strategies that were employed to determine the sample size are all presented in this chapter. It also explains the tools that were employed to gather and examine the data.

3.1 Research Design

This is the study problem introduction, strategy, or program that will be utilized to provide solutions. It is essentially the inquiry's plan and framework. The primary of a research design it helps a researcher in better management of the available resources. It establishes the plan for the assortment, dimensions and examination of information collected, Kothari (2014). In this investigation, a qualitative method was employed. The goal of descriptive research is to identify the variables linked to certain events, results, circumstances, or behavioral patterns. In order to characterize the existing circumstances, terminology, or connections pertaining to an issue, data is gathered and evaluated as part of the scientific process of study known as descriptive analysis. This approach was chosen because it allows for a thorough analysis of the situation.

3.2 Target Population

According to Mugenda & Mugenda (1999), the target audience is a universal set to be investigated that includes each component of an actual or imagined group of people, events, or things for which the researcher wants to generalize the findings. Support personnel, middle managers, and upper management all constituted the study's target group. This may be found in table 3.1;

Table 2: Target Population

Population Category	**Target Population**	**Percentage (%)**
Top Level Management	5	2
Middle Level Management	10	3
Support Staff	285	95
Total	**300**	**100**

Source: Author (2024)

3.3 Sample and sampling technique

Sampling, as defined by Bailay (2005), is the act of choosing and examining a fairly small sample of people, things, or events in order to learn more about the population as a whole which is why it will be chosen. A sample is a tiny subset of the intended population that has been chosen in a methodical manner. The examiner employed a stratified random selection approach because of the purpose of the investigation. This sampling strategy is used because it allows for the analytically determined generalisation of a larger sample and ensures that all workers have an equal chance to take part (Mugenda & Mugenda, 1999).

3.3.1 Sample Size

In this research study, a sample size of 54% of employees out of the target population of 65 were selected through stratified random sampling method. This represented 35 respondents that were going to participate in the study. This is illustrated in table 3.2;

Table 3: Sample Size

Population Category	**Target population**	**Sample Size (of 12%) of target population**	**Percentage (%)**
Top Level Management	5	3	9
Middle Level Management	10	7	20
Support Staff	285	25	71
Total	**300**	**35**	**100**

Source: Author (2024)

3.4 Instruments

3.4.1Questionnaires

The primary tools for gathering data in the present investigation were questionnaires. After a few days, the hand-delivered surveys were collected. There were both closed-ended and open-ended questions. To make sure the responses provided are pertinent, closed-ended questions were employed. Respondents were given the opportunity to freely express their thoughts by answering open-ended questions with provision for pertinent justification. The research deemed this approach beneficial as it established secrecy. Through the use of survey forms, the investigator was able to obtain a variety of information and viewpoints from those who took part.

3.5 Pilot Study

The first research conducted to pretest the data gathering tools and so confirm their validity and reliability is known as a pilot study. The purpose behind the pretest is to check whether the questions are clear to respondents. This study used 15% of the sample size for the pilot which is in line with recommmendations of Mugenda and Mugenda (2013). The draft overview was restricted to 7 respondents with varying work levels in one of the principles overall as a pilot research. In order to obtain the desired information, the pilot test participants were asked to complete the survey and provide general feedback on the survey tools.

3.5.1 Validity

A measure of a study's predicted outcomes is called validity. To identify the constituents of the exploratory population and the unit of research, an experiment was conducted. Draft questions were tested beforehand to eliminate doubt and achieve a high level of accuracy during the study. The boss then experienced the surveys to ascertain their validity. Queries that failed to provide the necessary information were ignored. The subject matter as a whole and each and every investigation unit were taken into account.

3.5.2 Realiability Test

Realiability test is a test that which measures the accuracy of the procedures used in the research study under comparative circumstances. Alternatively, legitimacy might be defined as the boundary between truth and lie (Kvale 2103; Neuman, 2014). The researcher plans to use the test-retest method of reliability testing before beginning the study. First, she will interview seven respondents to confirm the validity and reliability of the exploration instruments. She will also seek to ascertain whether the target population was able to understand and provide the data that the researcher needed.

3.6 Data Collection Procedure

For this study, questionnaire-based surveys were used since they are more capable of collecting data from a wide range of respondents in less time, with more moderation required (Ordho, 2013). The autonomous nature of the surveys allowed the investigator to build rapport with the intended audience and therefore promote an excellent rate of response. This made it possible for the researcher to discuss with the participants the significance of the questionnaires and the aim of the study. Because it is low-cost and enables respondents to complete the questionnaires at their simplicity, the researcher selected the self-administration approach for all respondents. Additionally, the researcher employed a structured questionnaire consisting of a number of generic questions that allow respondents to go deeper into their answers to those deemed noteworthy. The respondents were handed the questionnaires and given the chance to fill them out, with predefined questions.

3.7 Data Analysis Methods and Presentation

Data analysis, according to Bailay (2005), is the act of organizing the gathered information, assessing it, organizing it, and organizing its major ideas such that conclusions are readily shared. First, the data was modified to ensure that all the data was complete, consistent, and clear. Both qualitative and quantitative methods were utilized to examine the data: theoretical analysis was used for open-ended questions in the qualitative method, while statistical analysis was employed for closed-ended questions. Tables, charts, and graphs were used to analyze and communicate the data, which was reported in terms of occurrences and percentages.

3.8 Ethical Consideration

Ethics are principles or norms of behavior that direct moral decisions about our actions and interactions with other people. Ensuring that no one is hurt or has unfavorable effects from research operations while yet achieving the goal is the aim of academic ethics. Nonetheless, unethical practices are widespread and include ignoring legal ramifications, falsifying results, breaching participant confidence, billing irregularities, and breaching confidentiality contracts (Dr. Tripura Sundari Pasupuleti et al, 2023). Schrunik (2013) posits that ethical challenges arise from concerns about the appropriate method of doing research, with a particular focus on avoiding creating undue suffering for the objects of the request—that is, people—during the exploration process.

3.8.1 Declaration of intent

In order to perform valid studies, the investigator must possess student identity, national verification, and a letter from the university confirming this. Given that the respondents had the trust of the researcher who has been given permission to continue the study, it was helpful to get accurate and useful information regarding the investigation.

3.8.2 Voluntarily parctipation

The participants in the research were allowed to leave at any time, without having to provide a reason. Participants were informed explicitly that there was no pressure or force involved in their participation.

3.8.3 Confidentiality

Given that the material gathered touches on private information, the researcher will be expected to treat it all with confidentiality. In order to maintain the interviewees' anonymity, the investigator followed the necessary study ethics, which included advising them not to put their names or any other identifying information on the surveys.

3.8.4 Informed consent

Participants were asked for their agreement before filling out the surveys, and the investigator told them the data was being collected, so they were not forced to do so.

3.8.5 Privacy

By not putting their names on the survey forms and by keeping their identities secret from other people and places, the respondents' privacy was protected. Similarly, the researcher made sure that the respondents' lifestyle, working environment, and timetable were all honored.

3.9 Chapter Summary

This chapter describes the methodology of the study, such as the target population, sample and sampling techniques, validity and reability tests, data collection procedures, and the statistical approach used to analyze and present the results while taking ethics into account.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This section covers the study's conclusions as well as the data's examination, presentation, and interpretations. Tables, charts, and bar graphs were used in the analysis and presentation of the gathered data. Notes were used in the interpretation process.

4.1 Presentation of Findings

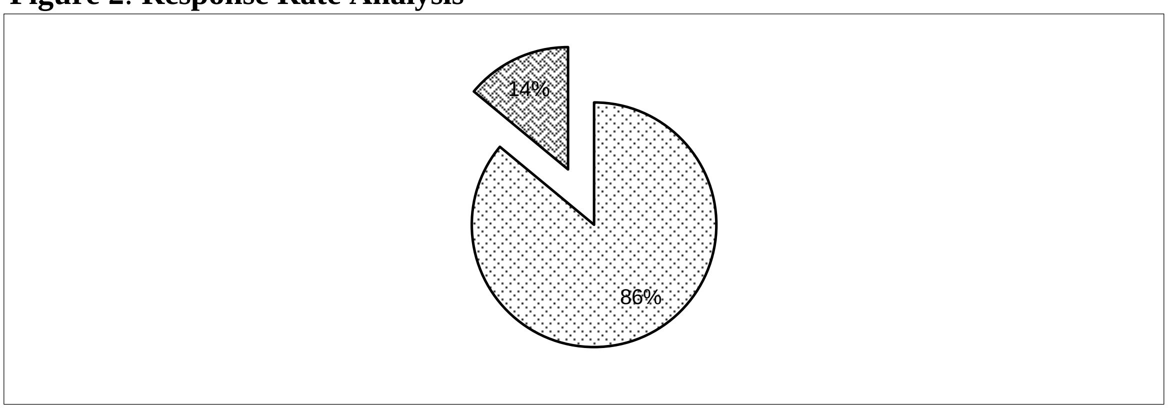
4.1.1 Response Rate Analysis

Table 4: **Response Rate**

Category	Frequency	Percentage (%)
Response	30	86
Non- Response	5	14
Total	**35**	**100**

Source: Author (2024)

Figure 2: **Response Rate Analysis**



Source Author (2024)

The surveys that were answered were utilized to perform a data evaluation after the study was carried out and information gathered from different individuals inside the firm. The questions were divided into two categories: 86% of the responses were in response, and 14% were not. It is clear that the majority of respondents took part in the survey from Table 4.1 and Figure 4.1.

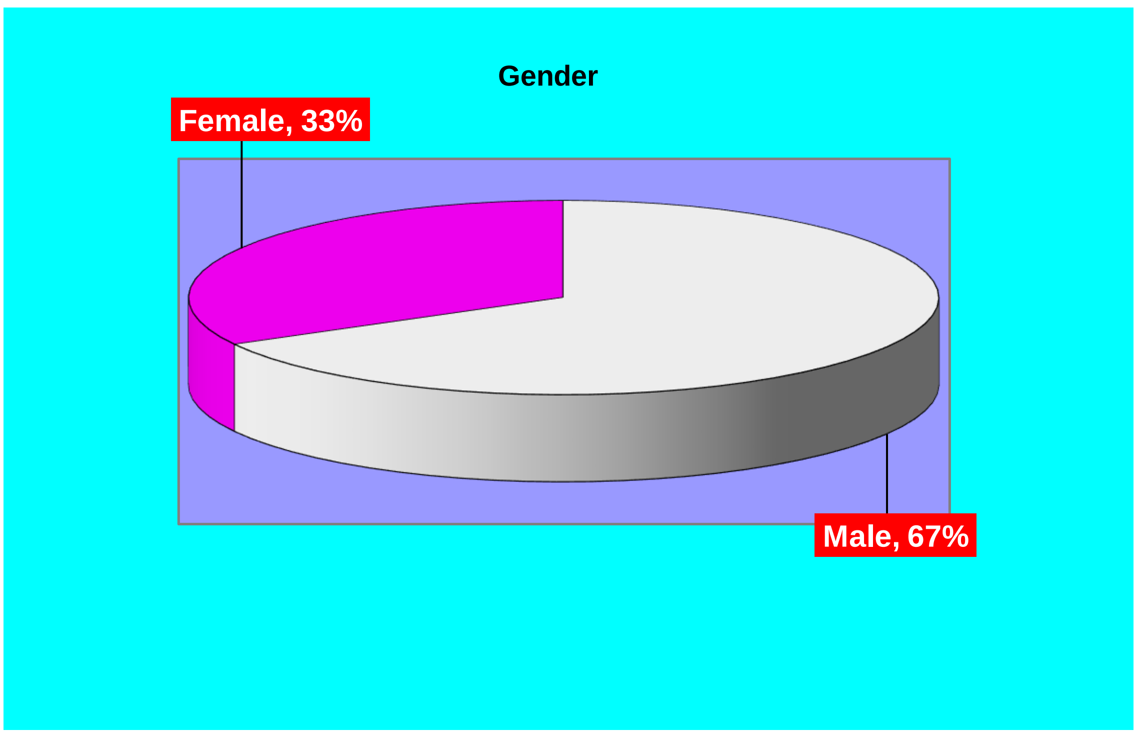
4.1.2 Gender Analysis

Table 5: **Gender**

Gender	Frequency	Percentage (%)
Male	20	67
Female	10	33
Total	**30**	**100**

Source: Author (2024)

Figure 3: **Gender Analysis**



Source: Author (2024)

Table 4.2 and Figure 4.2 present an examination of gender. According to the analysis, thirty-three percent of those surveyed were female, while 67% of respondents overall were male. This demonstrates that the bulk of employees at their jobs were men. It is evident from the aforementioned data that the buying function personnel have not been given equal job prospects. The proportion of male staff members is larger than that of female employees. Participants felt there weren't enough female workers because they thought there weren't many qualified women who could handle employment in purchasing operations.

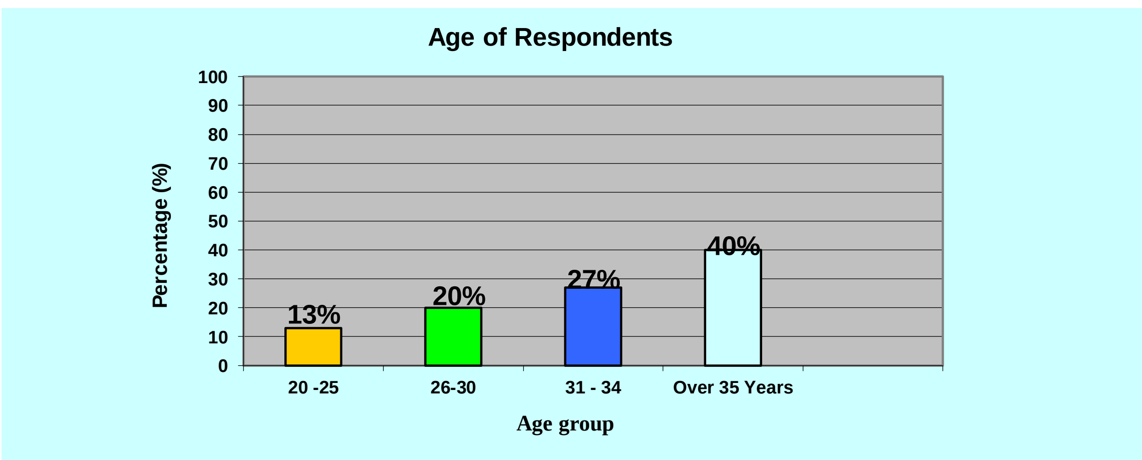
4.1.3 Age of the Respondents

Table 6: **Age of the Respondents**

Age group in Years	Frequency	Percentage (%)
20 – 25 Years	4	13
26 – 30 Years	6	20
31 – 34 Years	8	27
Above 35 Years	12	40
Total	**30**	**100**

Source Author (2024)

Figure 4: **Age of Respondents**



Source Author (2024)

From Table 4.3 and Figure 4.3 it is clear that the ages between 20 – 25 years was of low percentage at 13% because the employees in the organization are required to have a certain level of experience in the purchasing function. The ages between 26 – 30 years was also of low percentage at 20% because of qualification capablilities and experience in procurement activities in the purchasing department. The responders who ranged in age from 30 – 34 years were of high percentage at 27% since at this age, employees are able to get enough experience and qualifications required. Respondent's aged over 35 years had the highest percentage at 40% because they have the best experience and qualifications in the buying department to improve the efficiency and effectiveness of the organization.

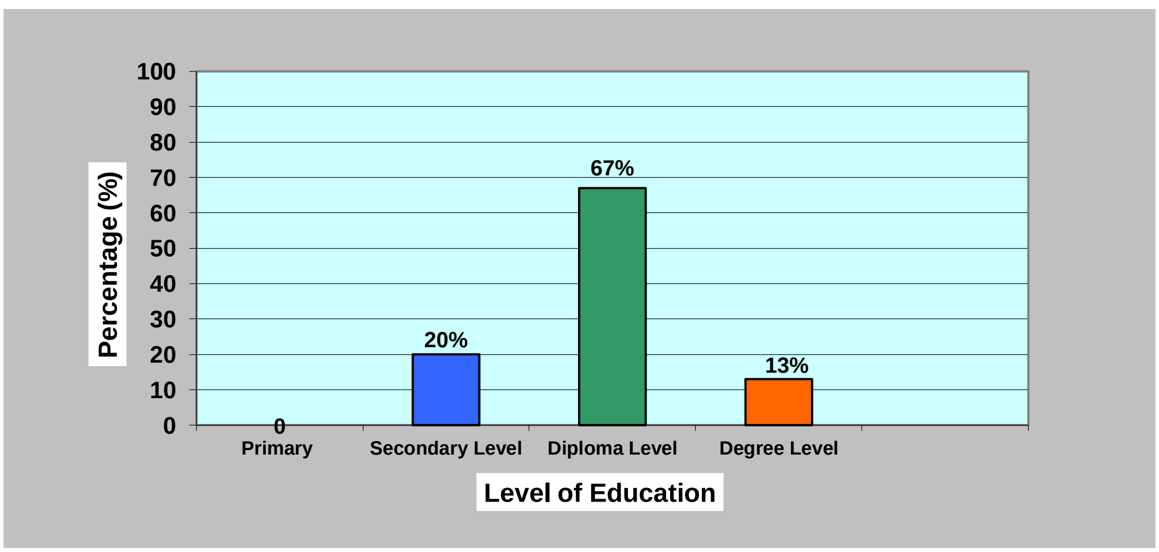
4.1.4 Highest Level of Education Analysis

Table 7: **Highest Level of Education**

Level of Education	Frequency	Percentage (%)
Primary level	0	0
Secondary Level	6	20
Diploma Level	20	67
Degree Level	4	13
Total	**30**	**100**

Source: Author (2024)

Figure 5: **Highest Level of Education**



Source: Author (2024)

The educational attainment of those polled is displayed in Table 4.4 and Figure 4.4. twenty percent of those polled had completed their schooling to the "O" level, compared to 67% who had just completed their diplomas and 13% who had completed their degrees and above, according to the research. None of the respondents stated they had just completed their basic education or had no schooling at all. From the statistics above it is evident that 'O' Level respondents were not many since the purchasing function requires high education level qualifications and due to the changes of the education system they are highly affected. Diploma level respondents were many because they have the required training and understand well the required technology to work in purchasing activities. Respondents who had attained Degree level and above were fewer compared to diploma level respondents because this level requires high remuneration rates.

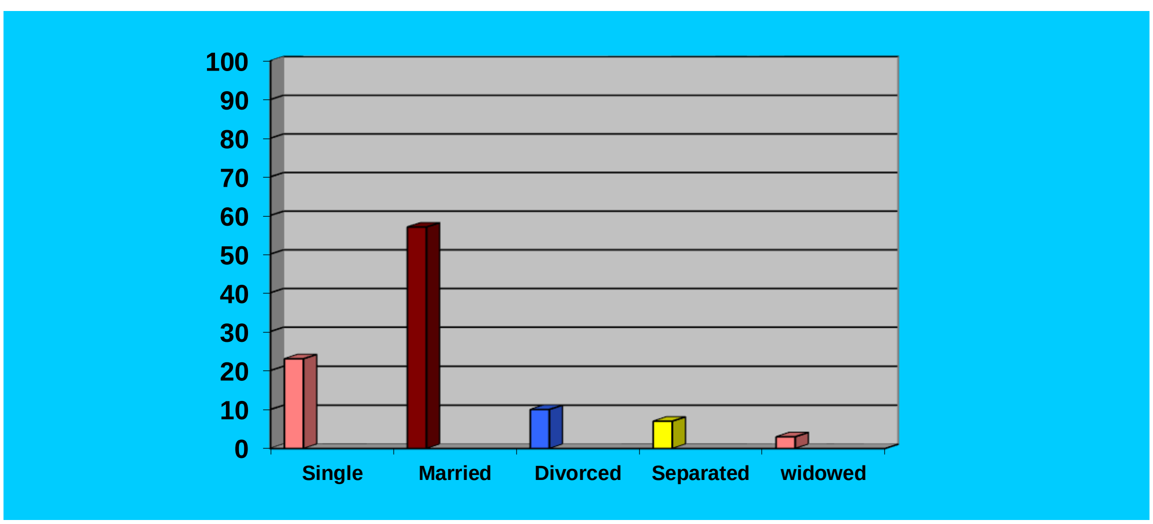
4.1.5 Marital Status Analysis

Table 8: **Marital Status**

Marital Status	Frequency	Percentage (%)
Single	7	23
Married	17	57
Divorced	3	10
Widowed	2	7
Separated	1	3
Total	**30**	**100**

Source: Author (2024)

Figure 6: **Marital Status**



Source: Author (2024)

Table 4.5 and Figure 4.5 present the respondents' marital status. Based on the data analysis, 57%

of the participants were married, 23% were single, 10% had divorced, 7% were separated, and 3% were widowed. Compared to the other respondents, the majority of respondents, or 57% of the organization, were married.

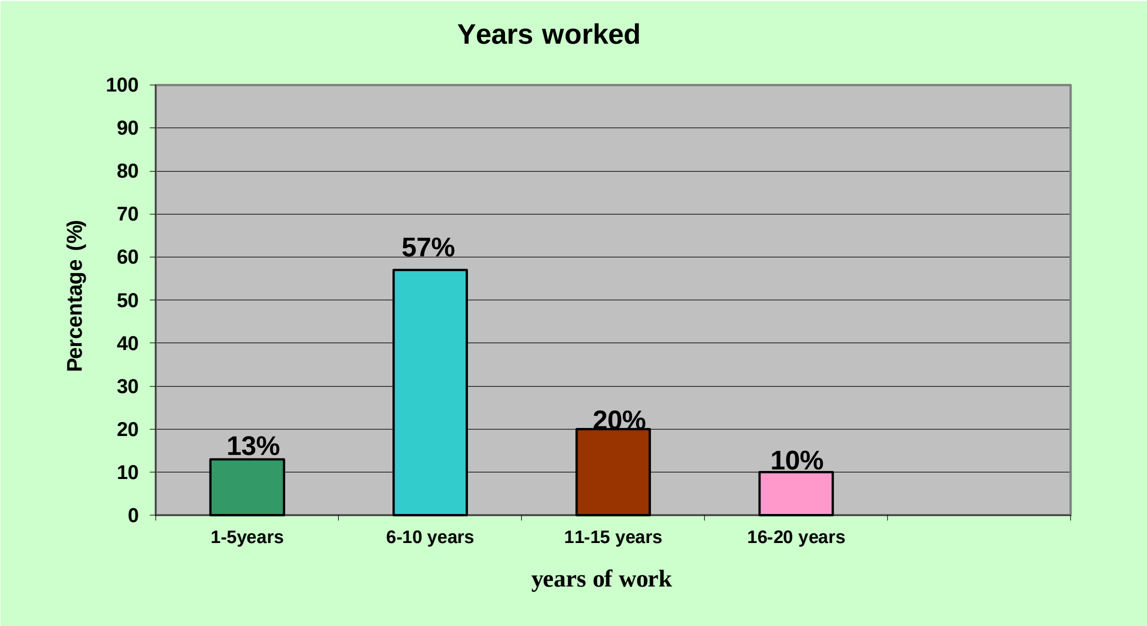
4.1.6 Years Worked With the Organization Analysis

Table 9: **Years Worked Analysis**

No. of Years	Frequency	Percentage (%)
Below 5 years	4	13
6-10 years	17	57
11-15 years	6	20
16-20 years	3	10
Total	**30**	**100**

Source Author (2024)

Figure 7: **Years Worked Analysis**



Source Author (2024)

Table 4.6 and Figure 4.6 show the number of years worked. Based on the analysis, the period of below 5 years was a small number which had a percentage of 13% because the organization rarely employs new workers within the first 5 years. However, it places workers on probation in order to keep an eye on how well they perform while under contract. Therefore, based on data from individuals who had spent six to ten years working for the company which constituted 57% and 11 - 15 years which constituted 20% had the highest percentage as compared to the rest. These workers are perceived as being more engaged, and their productivity inside the company is higher. The period of 16 - 20 years which constituted 10% had few employees that have worked with the organization since some employees having employed for a long time in the company time experience monotony and may want to leave their positions.

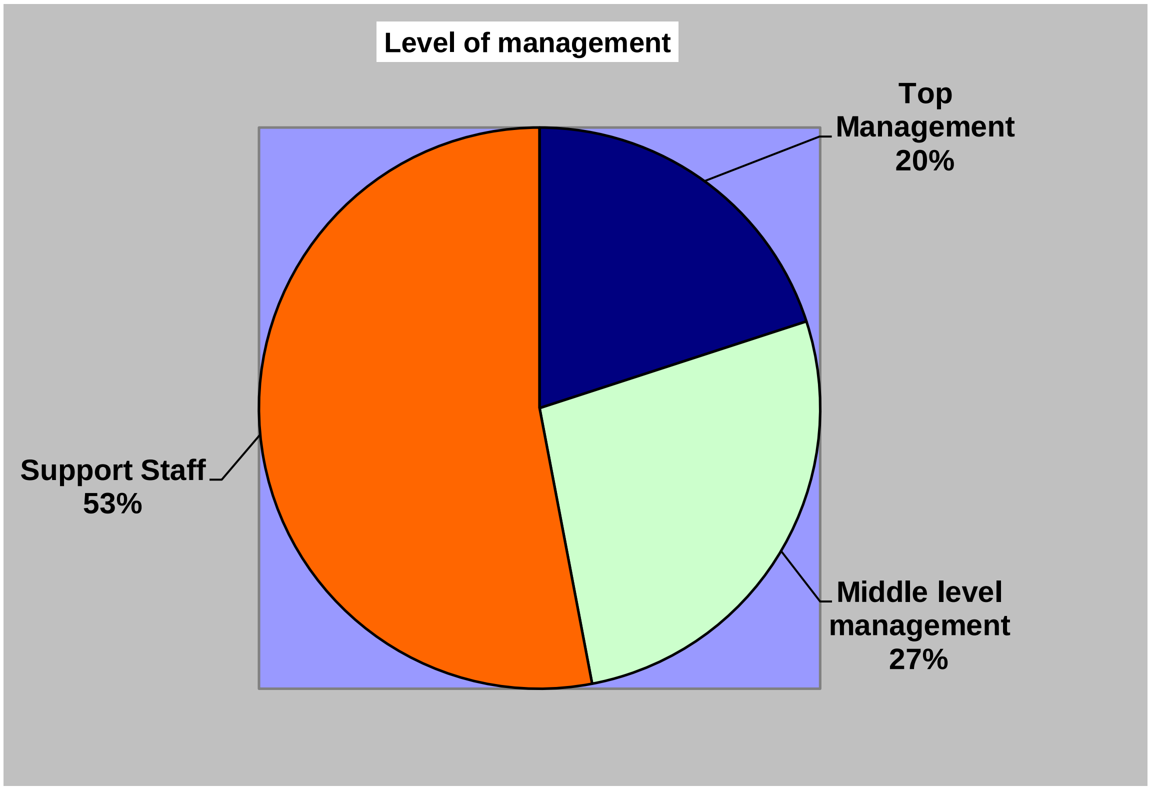
4.1.7 Level of Management Analysis

Table 10: **Level of Management Analysis**

Level of Management Analysis	**Frequency**	**Percentage (%)**
Top Level Management	6	20
Middle Level Management	8	27
Support Staff	16	53
Total	30	100

Source Author (2024)

Figure 8: **Level of Management Analysis**



Source Author (2024)

Based on Table 4.7 and Figure 4.7, the majority of participants were the support staff and this had the highest percentage of 53% in the purchasing department. Twenty percent of those polled were from the top level administration, whilst twenty percent of the participants were from the medium level administration.

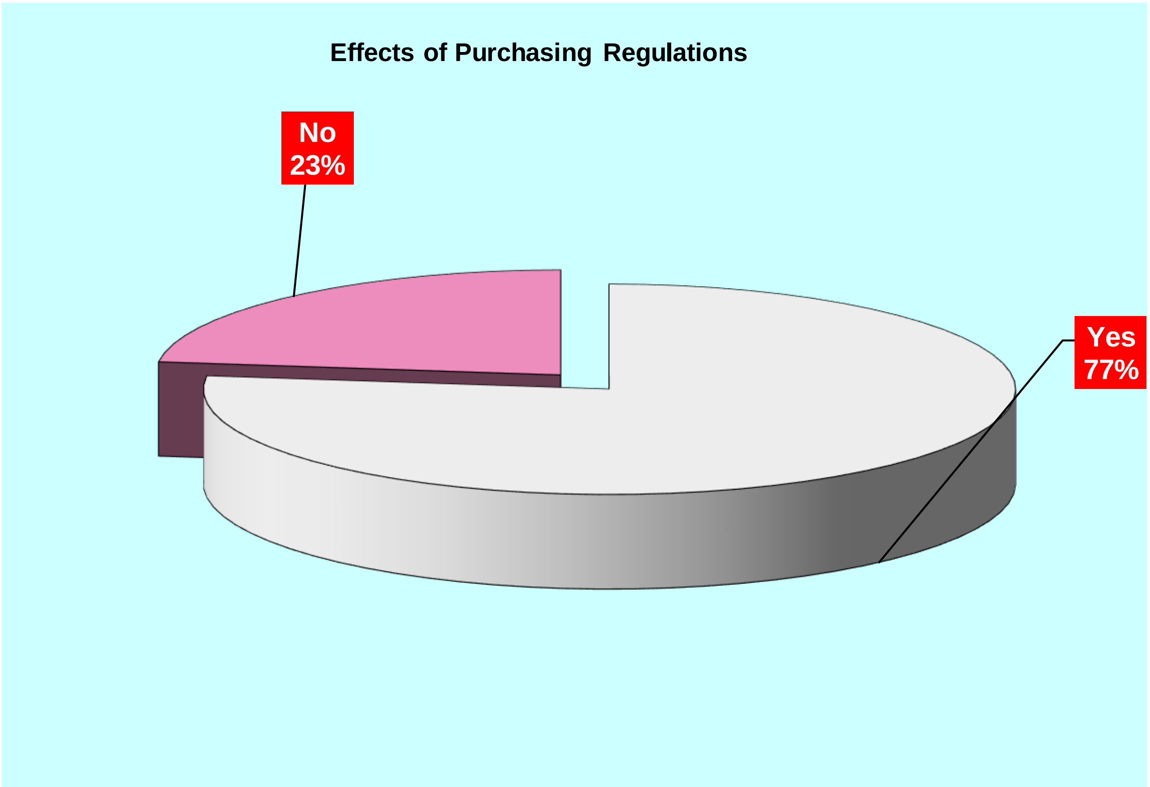
4.1.8 Effects of Purchasing Regulations on the Purchasing Function

Table 11: **Effects of Purchasing Regulations**

Purchasing Regulations	**Frequency**	**Percentage (%)**
Yes	23	77
No	7	23
Total	**30**	**100**

Source: Author (2024)

Figure 9: **Effects of Purchasing Regulations**



Source: Author (2024)

Figure 4.8 and Table 4.8 display the analysis of purchasing regulations. Based on the analysis 77% of the responders stated that purchasing regulations had an impact on the purchasing function, while 23% indicated that purchasing regulations had little impact on the purchasing function. Conclusions from the investigation can be drawn that purchasing regulations had an influence on the purchasing function in the organization.

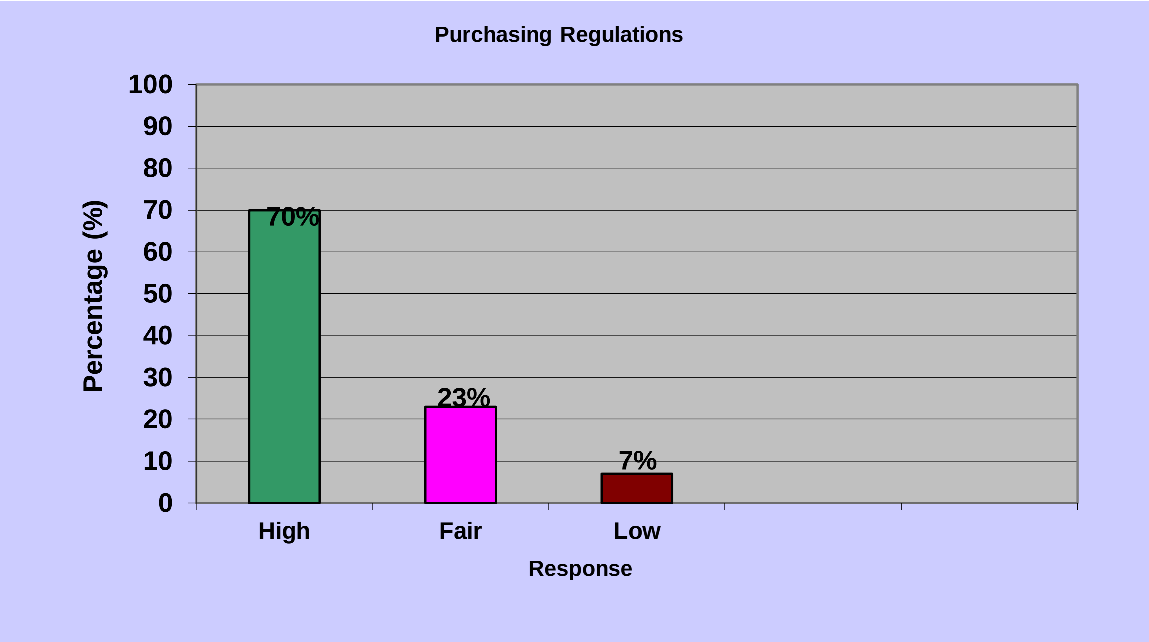
4.1.9 Purchasing Regulations Rating

Table 12: **Purchasing Regulations Rating**

Purchasing Regulations	**Frequency**	**Percentage (%)**
Very High	-	-
High	21	70
Fair	7	23
Low	2	7
Very Low	-	-
Total	**30**	**100**

Source: Author (2024)

Figure 10: **Purchasing Regulations Rating**



Source: Author (2024)

Table 4.9 and Figure 4.9 show purchasing regulations rating according to the respondents. The statistics above clearly indicate that the effects of purchasing regulations in the organization highly contribute to better management of the purchasing function. From the analysis seventy percent of those surveyed thought that the adoption of buying rules in the company high affects the purchasing function management while 23% indicated that purchasing regulations in the motor industry moderately affect purchasing activities. On the other hand, seven percent of those surveyed stated that the usage of purchasing regulations in the motor industry had little effects on the purchasing function.

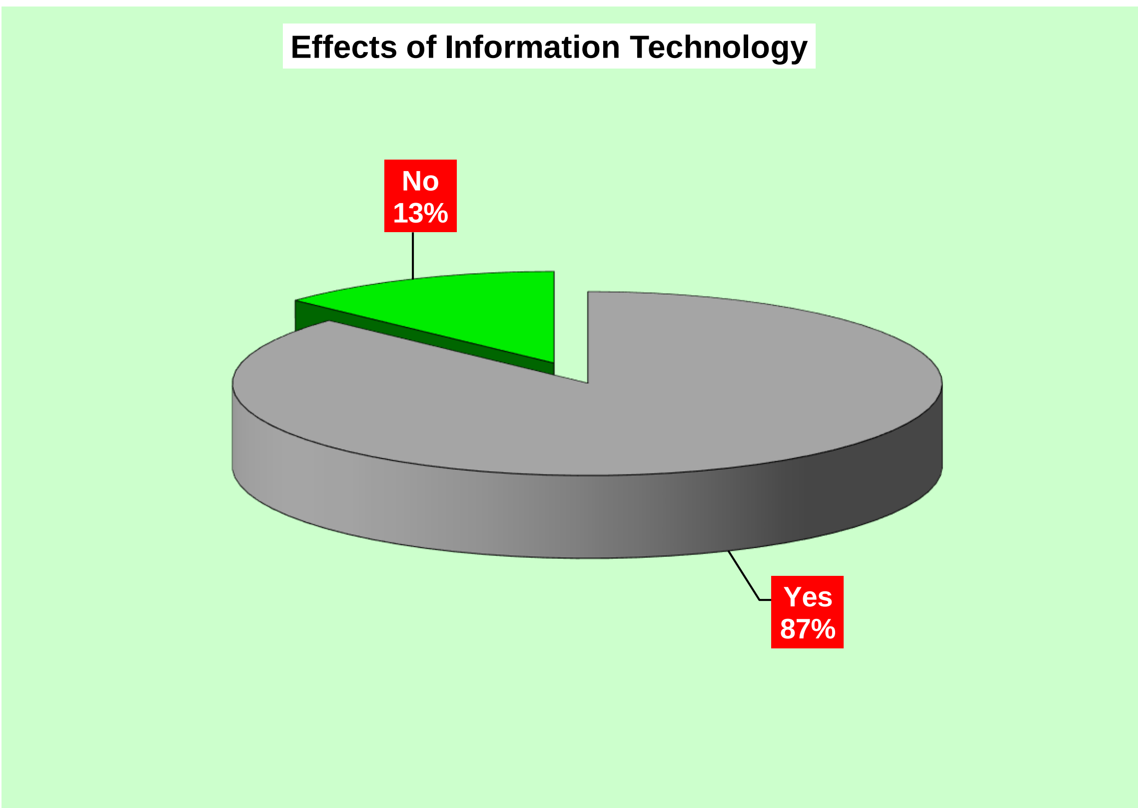
4.1.10 Effects of Information Technology on the Purchasing Function

Table 13: **Effects of Information Technology**

Information Technology	Frequency	Percentage (%)
Yes	26	87
No	4	13
Total	**30**	**100**

Source: Author (2024)

Figure 11: **Effects of Information Technology**



Source: Author (2024)

Table 4.10 and Figure 4.10 demonstrate the impact of information technology on the buying function. According to the findings, 87% of all respondents claimed that information technology had an impact on the purchasing function, while 13% said it had no effect. The research revealed that information technology influenced the process of buying.

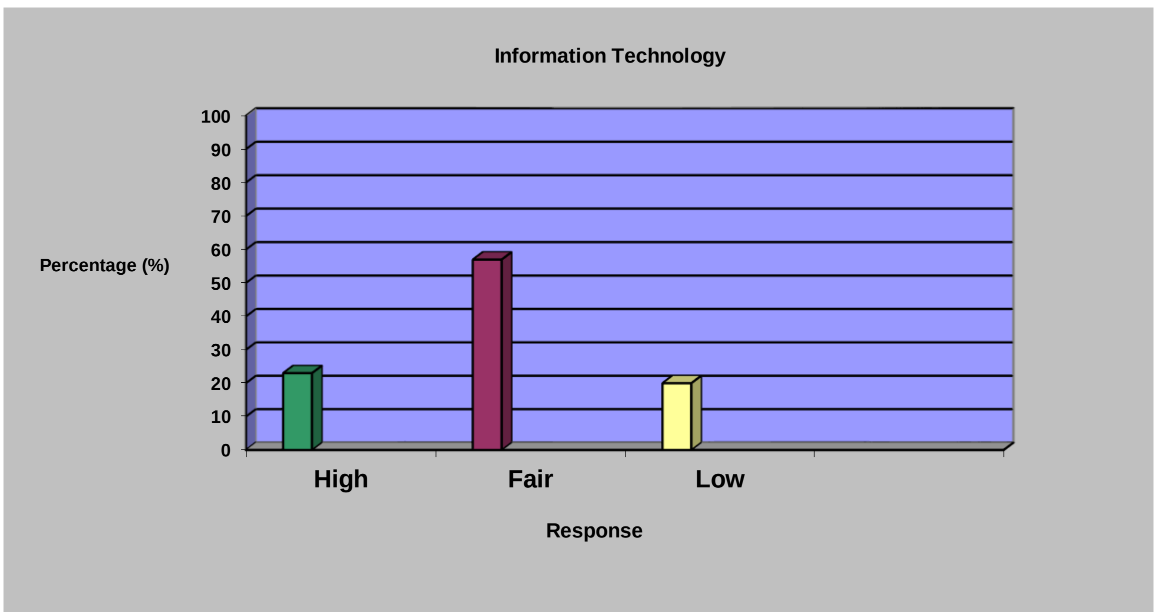
4.1.11 Information Technology Rating

Table 14: **Information Technology Rating**

Information Technology	Frequency	Percentage (%)
Very High	-	-
High	7	23
Fair	17	57
Low	6	20
Very Low	-	-
Total	**21**	**100**

Source: Author (2024)

Figure 12: **Information Technology Rating**



Source: Author (2024)

Table 4.11 and Figure 4.11 show how the respondents rated the effects of information technology in the organization. The above information clearly points out that the effects of information technology in the motor industry highly contribute to better management of purchasing activities in the purchasing department. From the anaylsis 23% of the participants believed that the use of modern technology was useful in motor industry highly leads to efficient carrying out of purchasing activities while 57% indicated that the use of IT in the motor industry had moderate effects on the execution of the purchasing function. However, twenty percent of those polled stated that the usage of information technology least improves on the efficiency of the purchasing function in the organization. The results of this research indicate that most respondents gave information technology a decent rating.

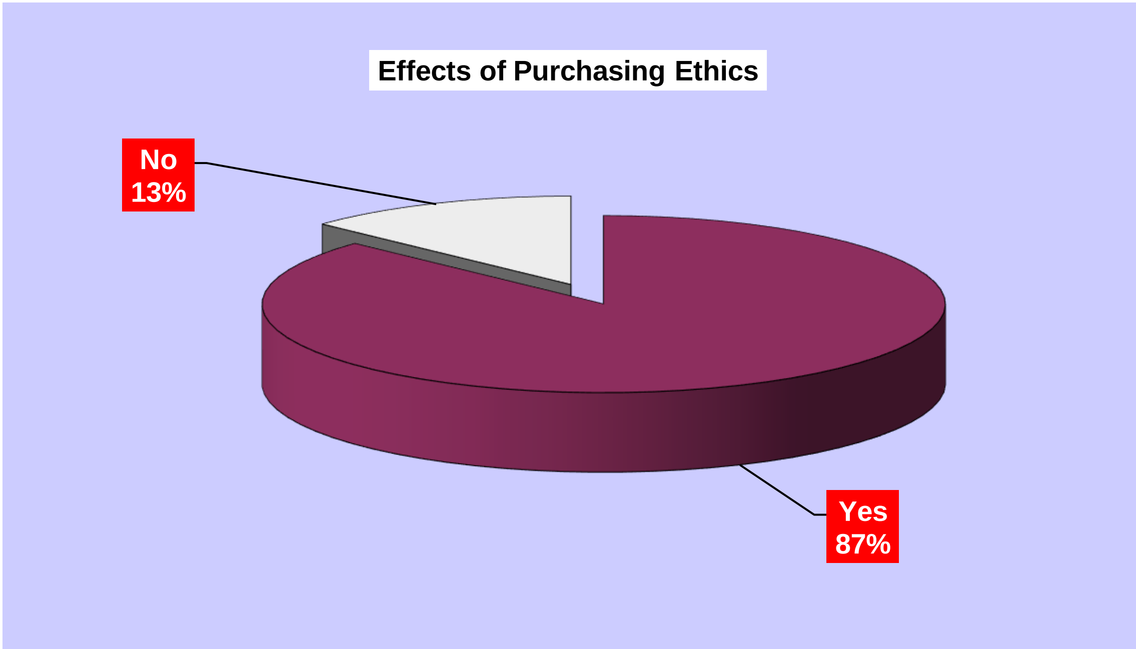
4.1.12 Effects of Purchasing Ethics on the Purchasing Function

Table 15: **Effects of Purchasing Ethics**

Purchasing Ethics	Frequency	Percentage (%)
Yes	26	87
No	4	13
Total	**30**	**100**

Source: Author (2024)

Figure 13: **Effects of Purchasing Ethics**



Source: Author (2024)

The impact of purchasing ethics on the purchase function is displayed in Table 4.12 and Figure 4.12. 87% of those polled overall said that buying ethics had an impact on how shops function, according to the data, whereas 13% of participants overall said that procurement ethics had no impact at all. The study's findings indicate that the task of buying was impacted by purchasing ethics.

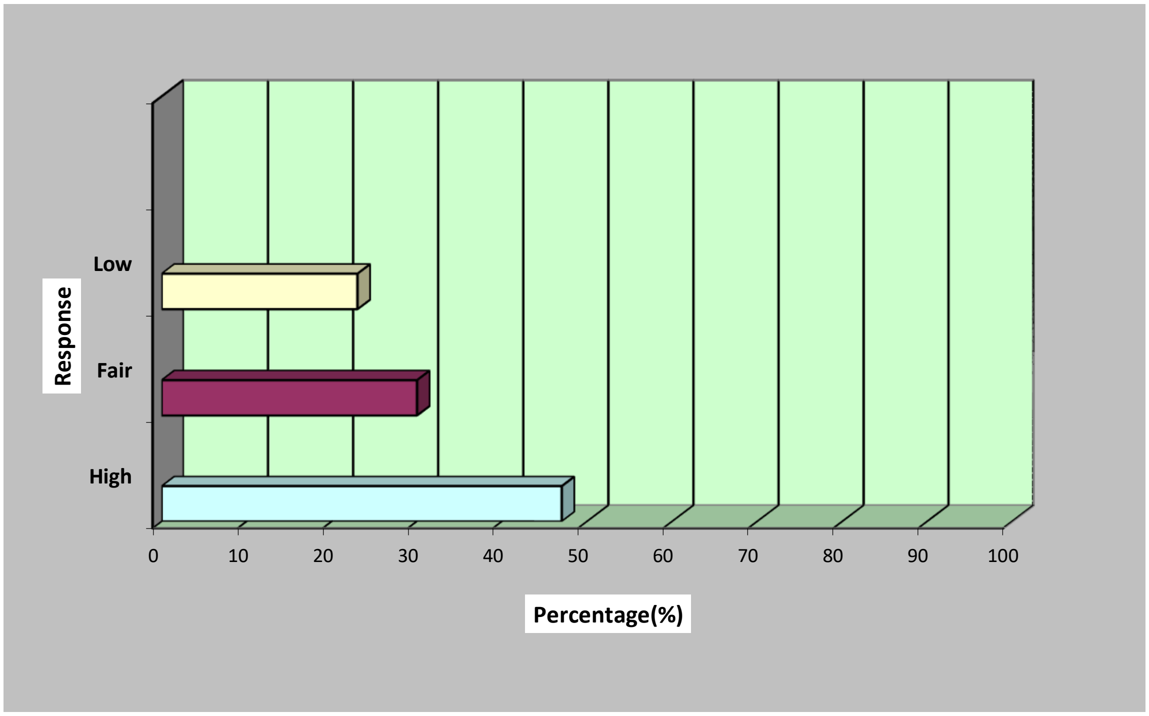
4.1.13 Purchasing Ethics Rating

Table 16: **Purchasing Ethics Rating**

Purchasing Ethics	Frequency	Percentage (%)
Very High	-	-
High	14	47
Fair	9	30
Low	7	23
Very Low	-	-
Total	**30**	**100**

Source: Author (2024)

Figure 14: **PurchasingEthics Rating**



Source: Author (2024)

Table 4.13 and Figure 4.13 show how the respondents rated purchasing ethics. From the statistics above, the researcher clearly found out that the effects of purchasing ethics in the organization highly contribute to better management of the buying agency's buying job. This is evident since 47% of the participants thought that purchasing ethics in the organization highly contributes to good and improved execution of purchasing activities in the organization. In addition, 30% of the responders said that purchasing ethics moderately affect procurement activities in the organization. However, 23% of the respondents did not seem to be convinced that purchasing ethics in the motor industry leads to more perfection in carrying out purchasing activities.

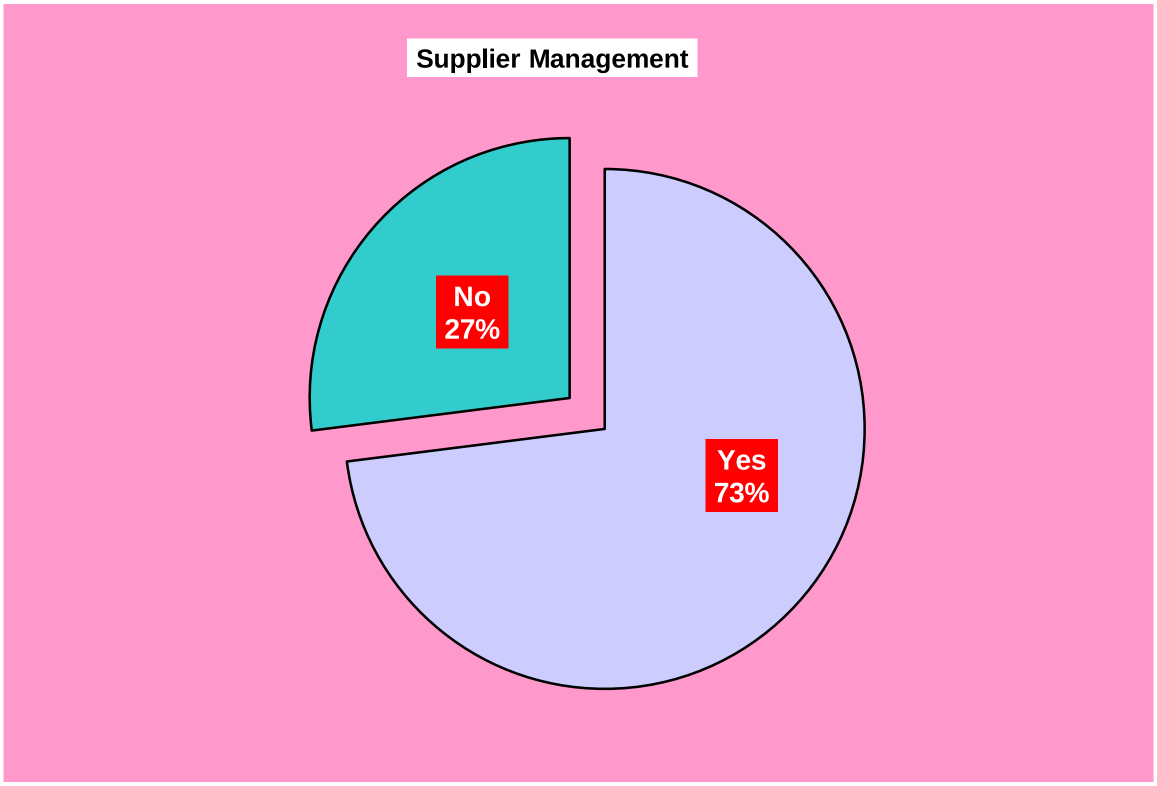
4.1.14 Effects of Supplier Management on the Purchasing Function

Table 17: **Effects of Supplier Management**

Supplier Management	Frequency	Percentage (%)
Yes	22	73
No	8	27
Total	**30**	**100**

Source: Author (2024)

Figure 15: **Effects of Supplier Management**



Source: Author (2024)

The effect of handling suppliers on the purchasing function is displayed in Table 4.14 and Figure 4.14. Seventy-three percent of respondents said the management of suppliers had an impact on the buying function, according to the research, while only 27 percent of respondents overall said it had no influence. The results of the investigation indicate that the buying function was impacted by the handling of suppliers.

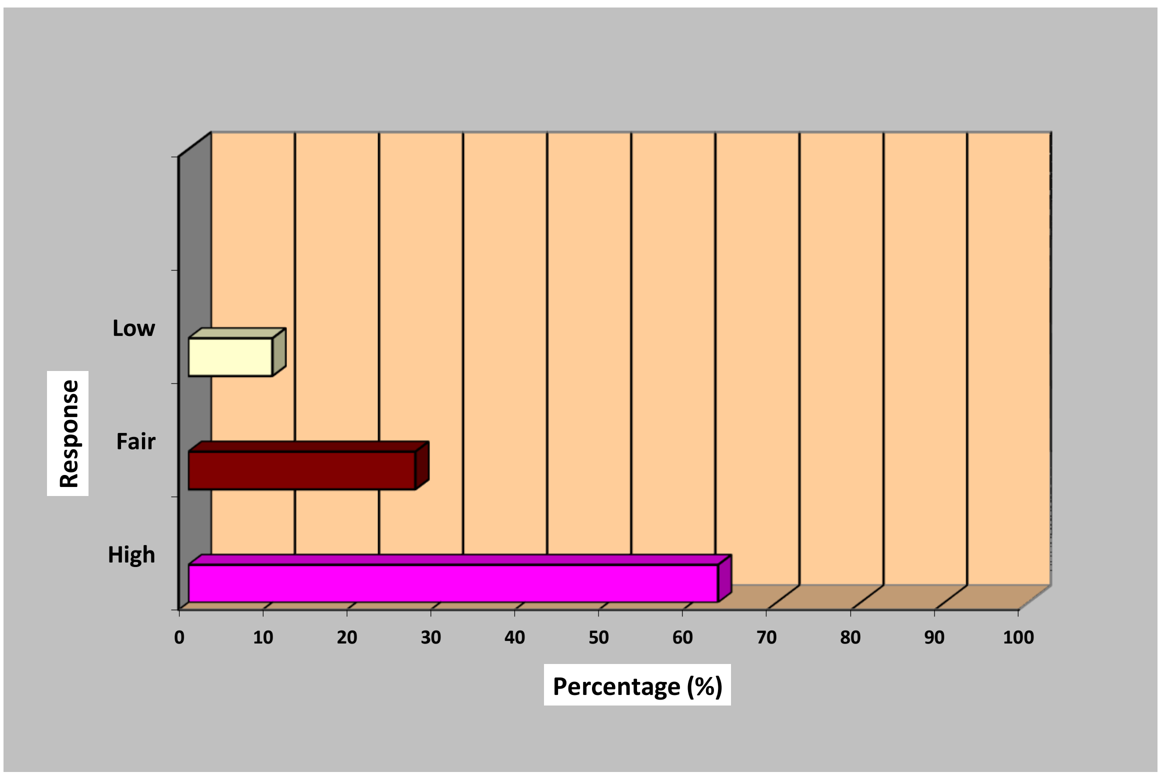
4.1.15 Supplier Management Rating

Table 18: **Supplier Management Rating**

Supplier Management	Frequency	Percentage (%)
Very High	-	-
High	19	63
Fair	8	27
Low	3	10
Very Low	-	-
Total	**30**	**100**

Source: Author (2024)

Figure 16: **Supplier Management Rating**



Source: Author (2024)

Table 4.15 and Figure 4.15 show how the respondents rated supplier management. The data above clearly points out that the effects of managing suppliers in the automotive sector highly contribute to improved management of the purchasing function. Based on the analysis 63% argued that supplier management in the organization highly contributes to better and improved execution of purchasing activities while 27% of the respondents pointed out that supplier management in the motor industry moderately improves on the carrying out of purchasing activities in the purchasing department. However, 10% of the respondents believed that supplier management least contributes to the efficiency in managing the purchasing function in the motor industry.

4.1.16 Summary of Data Analysis

4.1.16.1 Purchasing Regulations

The majority of responders knew about purchasing regulations and their impacts on the better performance of the company's purchasing function. According to the respondents the use of purchasing regulations had produced large earnings to the organization. Several commenters emphasized that if there were no effective adherence to purchasing regulations in the purchasing activities in the organization, then no advancement or changes were to be enhanced in the company's purchasing function.

4.1.16.2 Information Technology

The majority of workers unequivocally said that purchasing department managers were making a concerted effort to ensure that their staff members were instructed on the significance of automating purchasing processes inside the company. This has led to more frequently transparent performance and accountability of employees in their work. In addition, information technology helps workers to enhance their abilities, comprehension, and mindset thus improving efficiency on the purchasing function. Well trained workers with new technology benefits not only in the motor industry purchasing function but also the entire the motor industry departments by exposing their ability of better performance.

4.1.16.3 Purchasing Ethics

Most of the participants believed that management had a lot to do to ensure purchasing ethics within the motor industry is maintained. This would ensure better flow of information through improved communication among employees. Most of the respondents argued that, purchasing ethics ensures that professional ethical code of conduct is maintained when undertaking purchasing activities in the motor industry purchasing function. Good conduct of workers in the purchasing department ensures that all levels of management meet their demands on the interest of the organization purchasing function. Everyone is able to perform their duties as required and at the right time, hence ensuring activities in the purchasing function are well coordinated for increased efficiency.

4.1.16.4 Supplier Management

The majority of those surveyed were of the view that inability of the arrangement to maintain good supplier management affected the purchasing function. The organization requires suppliers who can provide good services that would meet customer demands. The majority of those surveyed said that in order for a company to to be able to compete successful against their rivals, they should have proper methods of meeting customer demands to ensure good service delivery through good management suppliers. This will allow the company to achieve the best discounts from its suppliers through good relationships.

4.2 Limitations of the study

4.2.1 Confidentiality of Information

Respondents expressed a strong need for confidentiality because they feared rivals may obtain important information. The investigator persuaded the participants that the data provided would be kept private and would only be used for scholarly study. With a letter from the organization, the researcher demonstrated to the responders that it was solely for scholarly purposes.

4.2.2 Lack of Accessibility

Accessing the property was challenging, particularly during business hours. This is a result of the organization enforcing security measures that prevent any researcher from entering the building. When the respondents were off duty, such as during lunch or in the evening when they were leaving the workplace, the researcher tried to get an audience with them.

4.3 Chapter summary

This chapter provides an overview of the studies findings and discussions for the sytudy. It includes the presentation of the research findings, a summary and the limitations of the study.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

The study effort is summed up in this chapter, which serves as the foundation for the conclusions and suggestions that follow. This chapter's goal was to assist in evaluating the extent to which the buying function has become more efficient in the automotive sector. It also provides information on the areas that need more investigation in order to preserve the highest standards of buying activity management in Kenya's automotive sector. The investigator provides an overview of the different conclusions that have been made during the investigation. Future research groups interested in investigating the purchase function will find these findings beneficial.

5.1 Summary of Findings

5.1.1 What is the effect of purchasing regulations on the purchasing function in the motor industry in Kenya?

The researcher found out that, due to the use of purchasing regulations in the purchasing department in Simba Colt Motors there has been enormous development in the management of the purchasing function in the organization. The majority of respondents (77%) who said that purchasing regulations are what propel good purchasing function management absolutely endorsed this. They went on to say that if buying managers followed the fundamental ethics of purchasing rules and the guiding principles of those laws, then purchasing regulations would work.

5.1.2 How does information technology affect the purchasing function in the motor industry in Kenya?

During the research, the researcher established that information technology in Simba Colt Motors has highly improved the transparency and accountability of employees in their work. This is confirmed by the support of the majority respondents (87%) who indicated

that information technology was critical to the development and better performance of workers in the purchasing department. However, it was stated by majority of the respondents that the need for training workers the importance of information technology in carrying out purchasing activities is important. Employees in the purchasing department should be imparted with skills and knowledge requirements for effective purchasing management hence improving performance of the organization as a whole.

5.1.3 To what extent do purchasing ethics affect the purchasing function in the motor industry in Kenya?

The use of purchasing ethics in Simba Colt Motors has led to greater developments in how purchasing activities are carried out in the purchasing department. Good ethical conduct in the purchasing function has improved communication and flow of information between departments and everyone in the organization. Majority of the respondents (87%) indicated that purchasing ethics in the organization has helped in managing purchasing activities better.

5.1.4 In what ways does supplier management affect the purchasing function in the motor industry in Kenya?

The researcher established that supplier management in the organization highly influences the purchasing function. Purchasing managers must ensure that supplier management relationships are well maintained to enable smooth carrying out of purchasing activities in the organization. Majority of the respondents (73%) greatly sustained and believed that supplier management improves good service delivery to customers since the organization is able to purchase their goods from reliable suppliers.

5.2 Recommendations

5.2.1 Purchasing Regulations

Purchasing regulations are vital in any organization that wants to ensure an improved management of the purchasing function. Therefore, the motor industry in Kenya should embrace good use of purchasing regulations when carrying out their purchasing activities by all means to guarantee perfection in the purchasing function is achieved. The motor industry should continuously endeavor the use of purchasing regulations when purchasing their goods to reduce the chances of purchasing smuggled goods.

5.2.2 Information Technology

From the reserch it can be recommended that the use of information technology in carrying out of purchasing activities must be embraced. Information technology improves transparency and accountability of workers in their performance. Employees’ training on the importance of information technology and its benefits to the organization is necessary. The development of workers' working skills and understanding may be achieved by brief classes, seminars, lectures, and reading the publications, journals, and manual of other businesses in order to increase the the company's competitiveness in the market.

5.2.3 Purchasing Ethics

Employees in the purchasing functions must be encouraged to follow the purchasing code of conduct when carrying out purchasing activities. The researcher recommends that, adhering to the required ethical conduct of purchasing ensures that excellent communication channels are achieved among employees in the purchasing department. This would increase efficiency and eliminate misunderstandings among employees. This improves performance of employees in their work since they are able to get the necessary information when required as well as ensuring that purchasing activities are carried out with transparency.

5.2.4 Supplier Management

Supplier management is one among the essential elements for success to the achievement of high profits by an organization. From this study it is clear that supplier management influences the management of purchasing activities in the motor industry. Therefore, supplier relationships must be well maintained to ensure organizations ability to purchase their products with ease.

5.3 Conclusion

The results of the study have unequivocally demonstrated that; the use of purchasing regulations, imparting employees with the technical know-how and new technologies in the market on how to carry out purchasing activities, ensuring that purchasing ethical code of conduct is adhered to and maintaining supplier management would go along way in enhancing efficiency on the purchasing function in the motor industry. Purchasing regulations embrace better management of purchasing activities in the motor industry. It is evident that the efficiency of the business's buying function is highly dependent on the use of information technology to carry out purchasing activities. Better employee communication has resulted from the use of information technology, which also helps the company achieve its goals for the buying function. Purchasing ethics and code of conduct has had a great impact on the improvement of performance in the purchasing function in the motor industry. Maintaining supplier relationships must be taken into consideration as it ensures that firms in the motor industry have the ability to purchase their products with ease.

5.4 Suggestions for Further Studies

The report suggests more investigation into the factors influencing the purchasing function in the automotive sector. In order to explain and integrate best practice recommendations into the buying function, future researchers should investigate the broader application of attaining excellence principles on the composition and administration of purchasing operations. They should also draw from this and other expertise. The future researchers should conduct further studies on company policy, employee competence, finance and taxation.

REFERENCES

Afuah, A. (2000). How much do your ‘co-opetitors” capabilities matter in the face of technological change? *Strategic Management Journal*, *21*(3), 387-404.

Ahuja, G. (2000). Networks, structural holes, and innovation: A longitudinal study. *Administrative Science Quarterly, 45*(3), 425-455.

Angus-Leppan, T., Benn, S., & Young, L. (2010). A sensemaking approach to trade-offs and synergies between human and ecological elements of corporate sustainability. *Business Strategy and the Environment, 19*, 230-244.

Axelrod, R., Mitchell, W., Thomas, R. E., Bennett, D. S., & Bruderer, E. (1995). Coalition formation in standard-setting alliances. *Management Science, 41*(9), 1493-1513.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*(1), 99-120.

Bromiley, P., & Rau, D. (2016). Operations management and the resource-based view: Another view. *Journal of Operations Management, 41*, 95-106.

Busse, C., Schleper, M. C., Weilenmann, J., & Wagner, S. M. (2017). Extending the supply chain visibility boundary: Utilizing stakeholders for identifying supply chain sustainability risks. *International Journal of Physical Distribution & Logistics Management*, *47*(1), 18-40.

Camilleri, M. A. (2017). The rationale for responsible supply chain management and stakeholder engagement. *Journal of Global Responsibility*, *8*(1), 111-126.

Carter, C. R., & Easton, P. L. (2011). Sustainable supply chain management: Evolution and future directions. *International Journal of Physical Distribution & Logistics Management, 41*(1), 46-62.

Crook, T. R., & Combs, J. G. (2007). Sources and consequences of bargaining power in supply chains. *Journal of Operations Management, 25*(2), 546-555.

Das, T. K., & Teng, B.-S. (2000). A resource-based theory of strategic alliances. *Journal of Management, 26*(1), 31-61.

Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review, 20*(1), 65-91.

Faulkner, D. O. (1995). *International strategic alliances: Cooperating to compete*. McGraw-Hill.

Fisher, L. M. (1996). How strategic alliances work in biotech. *Strategy and Business, First Quarter*, 1-7.

Freeman, R. E. (1994). *Ethical theory and business*. Prentice-Hall.

Freeman, R. E., & Gilbert, D. R., Jr. (1988). *Corporate strategy and the search for ethics*. Prentice-Hall.

Fynes, B., De Búrca, S., & Mangan, J. (2008). The effect of relationship characteristics on relationship quality and performance. *International Journal of Production Economics, 111*(1), 56-69.

Ghozzi, H., Soregaroli, C., Boccaletti, S., & Sauvée, L. (2016). Impacts of non-GMO standards on poultry supply chain governance: Transaction cost approach vs resource-based view. *Supply Chain Management: An International Journal, 21*(6), 743-758.

Halawi, L. A., Aronson, J. E., & McCarthy, R. V. (2005). Resource-based view of knowledge management for competitive advantage. *The Electronic Journal of Knowledge Management, 3*(2), 75-86.

Halldorsson, A., Kotzab, H., Mikkola, J. H., & Skjøtt-Larsen, T. (2007). Complementary theories to supply chain management. *Supply Chain Management: An International Journal, 12*(4), 284-296.

Halldórsson, A., Hsuan, J., & Kotzab, H. (2015). Complementary theories to supply chain management revisited: From borrowing theories to theorizing. *Supply Chain Management: An International Journal, 20*(6), 574-586.

Handfield, R. B., & Nichols, E. L. (2015). *Introduction to supply chain management*. Pearson Education.

Harrigan, K. R. (1988). Strategic alliances and partner asymmetries. In F. Contractor & P. Lorange (Eds.), *Cooperative strategies in international business* (pp. 205-226). Lexington Books.

Harrison, J. S., & St. John, C. H. (1996). Managing and partnering with external stakeholders. *Academy of Management Executive, 10*(2), 46-59.

Heide, J. B. (1994). Interorganizational governance in marketing channels. *The Journal of Marketing, 58*(1), 71-85.

Hoejmose, S. U., & Adrien-Kirby, A. J. (2012). Socially and environmentally responsible procurement: A literature review and future research agenda of a managerial issue in the 21st century. *Journal of Purchasing & Supply Management, 18*(4), 232-242.

Huang, Y. C., Yang, M. L., & Wong, Y. J. (2016). Institutional pressures, resources commitment, and returns management. *Supply Chain Management: An International Journal, 21*(3), 398-416.

Jajja, M. S. S., Kannan, V. R., Brah, S. A., & Hassan, S. Z. (2017). Linkages between firm innovation strategy, suppliers, product innovation, and business performance: Insights from resource dependence theory. *International Journal of Operations & Production Management, 37*(8), 1054-1075.

Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*, 305-360.

Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of Management Review, 20*(2), 404-437.

Kähkönen, A. K., Lintukangas, K., & Hallikas, J. (2015). Buyer's dependence in value-creating supplier relationships. *Supply Chain Management: An International Journal, 20*(2), 151-162.

Kauppi, K. (2013). Extending the use of institutional theory in operations and supply chain management research: Review and research suggestions. *International Journal of Operations & Production Management, 33*(10), 1318-1345.

Ketchen, D. J., Jr., & Hult, G. T. M. (2007). Bridging organization theory and supply chain management: The case of best value supply chains. *Journal of Operations Management, 25*(2), 573-580.

Koh, J., & Venkatraman, N. (1991). Joint venture formations and stock market reactions: An assessment in the information technology sector. *Academy of Management Journal, 34*(4), 869-892.

Kraatz, M. S. (1998). Learning by association? Interorganizational networks and adaptation to environmental change. *Academy of Management Journal, 41*(6), 621-643.

Mata, F. J., Fuerst, W. L., & Barney, J. B. (1995). Information technology and sustained competitive advantage: A resource-based analysis. *MIS Quarterly, 19*(4), 487-505.

Lavassani, M. K., & Movahedi, B. (2010). Critical analysis of the supply chain management theories: Toward the stakeholder theory. *POMS 21st Annual Conference*. Vancouver, Canada.

Mitra, A., O'Regan, N., & Sarpong, D. (2017). Cloud resource adaptation: A resource-based perspective on value creation for corporate growth. *Technological Forecasting and Social Change.* In press.

Mollenkopf, D., Stolze, H., Tate, W. L., & Ueltschy, M. (2010). Green, lean, and global supply chains. *International Journal of Physical Distribution & Logistics Management, 40*(1/2), 14-41.

Oliver, C. (1990). Determinants of interorganizational relationships: Integration and future directions. *Academy of Management Review, 15*(2), 241-265.

Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review, 16*(1), 145-179.

Osborn, R. N., & Baughn, C. C. (1990). Forms of interorganizational governance for multinational alliances. *Academy of Management Journal, 33*(3), 503-519.

Powell, W. W., Koput, K. W., & Smith-Doerr, L. (1996). Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology. *Administrative Science Quarterly, 41*(1), 116-145.

Prajogo, D., McDermott, P., & Goh, M. (2008). Impact of value chain activities on quality and innovation. *International Journal of Operations & Production Management, 28*(7), 615-635.

Provan, K. G., & Gassenheimer, J. B. (1994). Supplier commitment in relational contract exchanges with buyers: A study of interorganizational dependence and exercised power. *Journal of Management Studies, 31*(1), 55-68.

Ramanathan, U. (2014). Performance of supply chain collaboration: A simulation study. *Expert Systems with Applications, 41*(1), 210-220.

Seuring, S., & Müller, M. (2008). From a literature review to a conceptual framework for sustainable supply chain management. *Journal of Cleaner Production, 16*(15), 1699-1710.

Tachizawa, E. M., & Wong, C. Y. (2015). The performance of green supply chain management governance mechanisms: A supply network and complexity perspective. *Journal of Supply Chain Management, 51*(3), 18-32.

Vachon, S., & Klassen, R. D. (2006). Extending green practices across the supply chain. *International Journal of Operations & Production Management, 26*(7), 795-821.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing, 68*(1), 1-17.

Vesalainen, J., & Hakala, H. (2014). Strategic capability architecture: The role of network capability. *Industrial Marketing Management, 43*(6), 938-950.

Walker, H., & Jones, N. (2012). Sustainable supply chain management across the UK private sector. *Supply Chain Management: An International Journal, 17*(1), 15-28.

Williamson, O. E. (1979). Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics, 22*(2), 233-261.

Zhu, Q., Sarkis, J., & Lai, K. H. (2013). Institutional-based antecedents and performance outcomes of internal and external green supply chain management practices. *Journal of Purchasing & Supply Management, 19*(2), 106-117.

APPENDIX I

LETTER OF INTRODUCTION

NICKY OMARIBA

P. O. BOX 3716-00506,

NAIROBI.

Dear Sir/Madam,

RE: LETTER OF TRANSMITTAL OF DATA COLLECTION.

I am an undergraduate student at the Management University of Africa pursing a bachelor's degree in management and leadership specializing in purchasing and supplies management. As part of the requirement for the award of the degree in bachelor of management and leadership from the university, I am undertaking research on examining the determinants of the purchasing function in the motor industry in Kenya.

As a result, I respectfully ask for your assistance in terms of time in answering the questionnaire that is attached. Your accuracy and sincere response will be essential to guaranteeing the research's impartiality.

We promise to keep any information you provide strictly confidential.

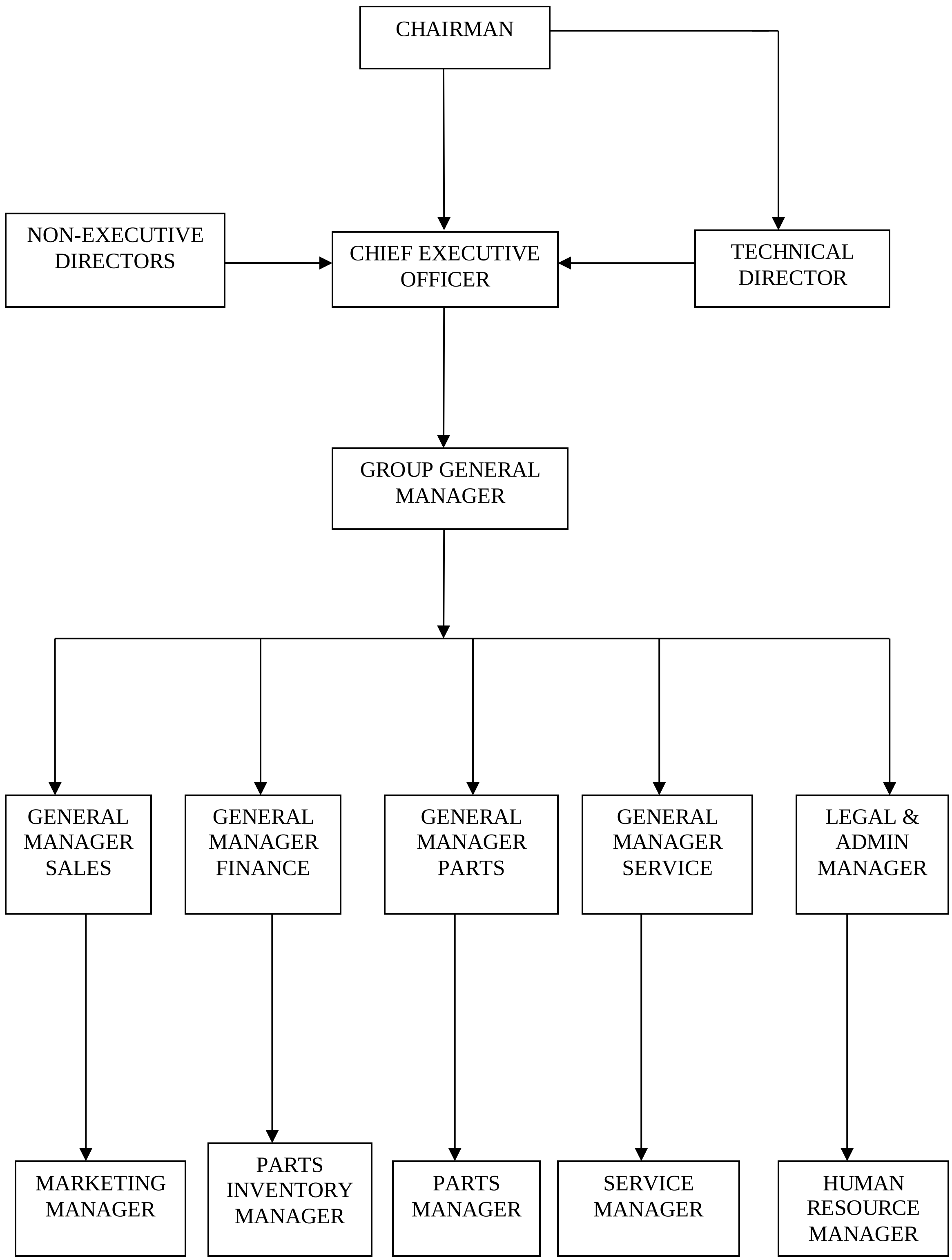
Thank you in advance for your valuable time and participation.

Yours faithfully,

Nicky Omariba.

APPENDIX II

Figure 1.1 The Organizational Structure



APPENDIX II

QUESTIONNAIRE

INSTRUCTIONS

Please fill the questions by putting a tick in the appropriate box or by writing in the space provided.

SECTION A: GENERAL INFORMATION

1. Gender Male [ ] Female [ ]

2. Age in years

    20 – 25 [ ]

    26 – 30 [ ]

    31 – 34 [ ]

    Above 35 Years [ ]

3. What is your highest level of education?

    Primary level [ ]

    Secondary level [ ]

    Diploma level [ ]

    Degree Level [ ]

4. What is your marital status?

    Single [ ]

    Married [ ]

    Divorced [ ]

    Separated [ ]

Windowed [ ]

5. Years worked with the organization

Below 5 years [ ]

6 – 10 years [ ]

11 – 15 years [ ]

16 – 20 years [ ]

6. Level of Management

Top level management [ ]

Middle level management [ ]

Support staff [ ]

SECTION B: PURCHASING REGULATIONS

7. According to you do purchasing regulations affect the efficiency of the purchasing function in your organization?

Yes [ ]

No [ ]

8. How do you rate purchasing regulations and its effects on the efficiency of the purchasing function in your organization?

Very High [ ]

High [ ]

Fair [ ]

Low [ ]

Very Low [ ]

9. Describe the effects of purchasing regulations on the efficiency of the purchasing function in your organization.

……

……

……

……

……

……………………………………………………………

SECTION C: INFORMATION TECHNOLOGY

10. In your own view does information technology affect the purchasing function in your organization?

Yes [ ]

No [ ]

11. How would you rate information technology in your organization?

Very High [ ]

High [ ]

Fair [ ]

Low [ ]

Very Low [ ]

12. Describe the effects of information technology on the efficiency of the purchasing function in

your organization.

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

……………………………………………………………………

SECTION D: PURCHASING ETHICS

13. According to you do purchasing ethics affect the procurement function in your organization?

Yes [ ]

No [ ]

14. How would you rate the purchasing ethics as leading to efficiency of the purchasing function in your organization?

Very High [ ]

High [ ]

Fair [ ]

Low [ ]

Very Low [ ]

15. Describe the effects of purchasing ethics on the efficiency of the purchasing function in your organization.

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………………………………………

…………………………………………………………………

SECTION E: SUPPLIER MANAGEMENT

16. Does supplier management have an effect on the efficiency of the purchasing function in your organization?

Yes [ ]

No [ ]

17. How would you rate supplier management and its effects on the efficiency of the purchasing function in your organization?

Very High [ ]

High [ ]

Fair [ ]

Low [ ]

Very Low [ ]

18. Describe the effects of supplier management on the efficiency of the purchasing function in your organization.

………

………

…………………………………………………………………………………....