

**FACTORS INFLUENCING SUCCESSFUL NEGOTIATIONS IN THE
PROCUREMENT PROCESS. A CASE STUDY OF THE KENYA RED
CROSS SOCIETY**

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DECLARATION

Declaration by the candidate

This project is my original work and has not been presented for the award in any other University or Institution. No part of this research should be reproduced without the author's consent or that of the Management University of Africa.

Signature..... Date.....

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Declaration by the supervisor

This research proposal has been submitted for examination with my approval as the university supervisor

Signature..... Date.....

Johnson Muteke

The Management University of Africa

DEDICATION

This project is dedicated to my loving parents Mr. Ibrahim Sheikh and Mrs. Adhar Osman, my brothers and sisters who encouraged and gave me their support through prayers and finance. May Almighty God bless them all.

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I would like to acknowledge everyone who helped me finish this study project.

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As a final note, I want to thank my colleagues, acquaintances, and relatives for their support and understanding during this research trip. Without the help, work, and cooperation of these individuals and groups, this project would not have been possible. I'm extremely grateful for everything they did.

ABSTRACT

This study looks into the complicated parts of negotiating purchases at the Kenya Red Cross Society (KRCS). The study aims to investigate the factors that influence effective negotiations in the procurement process. This operation uses a mix of qualitative as well as quantitative methods, such as case studies, surveys, and data analysis, to find out about important factors in an efficient way. The study will involve approximately 30 participants from different levels of the procurement hierarchy within the Kenya Red Cross Society. Some of these factors are supplier relationship management, negotiation strategies, ethical concerns and a dedication to sustainability. The discoveries of this study revealed important information about how humanitarian organisations negotiate acquisitions, which can be used to improve their buying strategies. Recommendations majorly include ethical training programmes and continuous improvement plans. Organisations like the KRCS could enhance their procurement methods, improve their relationships with suppliers, and carry out their goal more effectively and efficiently by acknowledging and employing these factors.

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ACRONYMS AND ABBREVIATIONS

KRCS – Kenya Red Cross Society

SET – Social exchange theory

NGO – Non Governmental Organizations

PWDs – Persons with Disabilities

AGPO – Access to Government Procurement Opportunities

SPSS - Statistical Package for the Social Sciences

OPERATIONAL DEFINITION OF TERMS

Procurement - process of acquiring goods, services, or works from external sources to meet the needs of an organization

Negotiations - process of communication and interaction between two or more parties with the aim of reaching a mutually acceptable agreement or resolving a conflict.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The research problem, the contextual background, the logical research questions, the research objective, the significance of the study and the study's scope are all examined in this chapter.

1.1 Background of the study

Procurement is widely recognised as an essential component of organisational success. Negotiation-based procurement procedures have a significant impact on an organization's ability to achieve its goals and objectives, as well as its operational efficiency and financial stewardship. The complexities and intricacies associated with successful negotiations in the procurement realm continuously captivated the interest and concern of organisations worldwide.

Procurement methods have changed dramatically in the last few years on a global scale. Organisations from a variety of industries have adjusted to the changing demands of a world that is becoming more interconnected due to factors such as internationalisation, technological progress, and changing market dynamics. Effective procurement negotiation tactics are now essential for maintaining a competitive advantage. In this context, the Kenya Red Cross Society—a reputable humanitarian organization—has not been immune to the worldwide shifts and demands of contemporary procurement practises. Global procurement involves the management of supply chains and strategic sourcing on an international scale. Diabagaté et al. (2015) highlight the significant economic weight of public procurement, estimated at 20% of global GDP, underscoring the scale and impact of global procurement. Monczka & Trent (1991) discuss the shift from reactive to proactive strategies in global sourcing, emphasizing the need for a competitive advantage. Additionally, Mackey & Cuomo (2020) stress the role of digital technologies in promoting transparency and accountability in global procurement, particularly in the context of anti-corruption efforts.

The roles and practises related to procurement have taken on special significance within the African environment. The African procurement landscape is characterised by a variety of industries, each with unique opportunities and problems. This broad perspective is essential to understanding the complexities of procurement dynamics, which can incorporate influences from both local and global sources. Procurement in Africa faces various challenges, including corruption, lack of transparency, and cost inefficiency (Munzhedzi, 2016). These challenges inhibit the effective implementation of procurement processes, hindering the delivery of public services (Manyathi et al., 2021). The procurement legislation in many African countries is considered ineffective and inefficient, leading to a stagnation in service delivery (Manyathi et al., 2021). Additionally, corruption in the procurement process is a significant issue, particularly in South Africa (Dithebe et al., 2022). The current procurement systems in South Africa have resulted in unhealthy levels of rivalry, hindering the development of small enterprises and making the process susceptible to manipulation and corruption (Dithebe et al., 2022).

Kenya, a rising economic power in East Africa, is at a turning point in the development of the field of procurement. Businesses in the nation at large operate in a climate marked by changes to laws, improvements to infrastructure, and a growing focus on efficiency and openness. This is the environment in which the Kenya Red Cross Society, a well-known organisation in the country, functions, making its purchasing policies a topic of interest for academic study. The procurement landscape in Kenya has been a subject of extensive research, with a focus on various aspects such as the influence of e-procurement techniques on combating fraud and corruption (Barajei, 2023), the impact of Access to Government Procurement Opportunities (AGPO) program on empowering the youth, women, and Persons with Disabilities (PWDs) (Mukabi et al., 2021), and the influence of procurement processes on the performance of public entities in Kenya (Gatobu, 2020). Additionally, studies have delved into the influence of selected procurement practices on the performance of devolved government units in Kenya (Mutuku et al., 2021), strategic procurement planning and service delivery of county governments in the Western Kenya region (Wandera et al., 2023), and the tender evaluation process and operational performance of service state corporations in Kenya (Obura et al., 2023).

The main focus of this study is the Kenya Red Cross Society, a reputable organisation that works on humanitarian projects. The procurement activities of the organisation, which

include negotiation strategies, are crucial to its purpose of providing help, assistance, and support in times of crisis. Understanding the elements that influence successful negotiations in this particular context not only satisfies natural curiosity but also has the potential to provide helpful data relevant to humanitarian organisations more broadly.

1.2 Statement of the Problem

The primary issue that this study attempts to answer is what complex dynamics and issues surround successful negotiations in the Kenya Red Cross Society's procurement processes. Given that these impediments may affect the organization's ability to effectively carry out its humanitarian purpose, there should be reason for major concern. The fundamental component of the Kenya Red Cross Society's operations, procurement, is compromised by operational inefficiencies, which cause unwarranted postponements and increased costs when acquiring necessary goods and services. Consequently, these inadequacies hinder the organization's capacity to react promptly and efficiently to humanitarian crises.

Inefficient procurement processes can lead to operational inefficiencies and compromised outcomes, Gallego et al. (2021), which impede the capacity of humanitarian organisations to allocate resources effectively to the most critical needs. Successful procurement negotiations are essential for both cost containment and making the best use of the finances that are available for humanitarian goals. The organization's financial resources may be strained if cost-saving measures are not taken, which could lead to service reductions and diminished chances for growth.

Cost-cutting opportunities missed during procurement negotiations can have a direct financial impact and raise operating costs. According to Seidman and Atun (2017), centralised procurement and tendering can result in direct cost savings in the healthcare sector. They also addressed how supply chain management programmes may reduce drug stockouts and boost medicine availability, translating into cost savings and increased operational efficiency. Moye-Holz et al. (2017) highlighted the prospect for large cost savings through negotiating rounds in the context of pharmaceutical procurement. Mexican officials projected savings of about 18,000 million MXP (US\$1417 million) on medical expenditures over seven negotiation rounds in the analysis they conducted.

The Kenya Red Cross Society's mission accomplishments, financial stability, and reputation are all directly impacted by the problem of ineffective procurement negotiating techniques. It is imperative that these issues be resolved if the organisation is to maintain public trust, allocate resources effectively, and offer humanitarian aid on time and in a timely manner.

1.3 Objective of the study

This study's primary goal is to look into the variables that affect effective negotiations during the procurement process.

1.3.1 Specific Objectives

- i. To determine the effect of supplier relationship on procurement negotiations by the Kenya Red Cross.
- ii. To examine the effect of negotiation strategies on procurement negotiations by the Kenya Red Cross.
- iii. To establish the effect of ethical conduct policy on procurement negotiations by the Kenya Red Cross.

1.4 Research Questions

- i. How do various aspects of supplier relationships impact the outcomes of procurement negotiations conducted by the Kenya Red Cross?
- ii. Do negotiation strategies influence the success of procurement negotiations at the Kenya Red Cross?
- iii. How does the implementation of an ethical conduct policy influence the effectiveness of negotiations at the Kenya Red Cross?

1.5 Significance of the studies

I am conducting this study because I firmly believe that it is critical to comprehend the elements that lead to successful negotiations during the procurement process. This study is important for a variety of stakeholders and has the potential to make significant contributions. The Kenya Red Cross Society stands to gain directly from this research by having its shortcomings in their procurement procedures clarified. The results could help the

organisation optimise its procurement tactics, which would save money, improve transparency, and boost the effectiveness of providing humanitarian aid.

The study is important not only for the Kenya Red Cross Society but also for humanitarian organisations worldwide. The knowledge acquired here might be used to set standards for best practises in contract negotiations, increasing the influence of humanitarian activities across the globe. The study's findings can boost confidence among donors and the general public. The Kenya Red Cross Society can gain more support from funders and the general public by showcasing a dedication to ethical and efficient procurement practises. This would bolster the organization's capacity to deliver humanitarian help in a timely and efficient manner.

In conclusion, this study has the potential to bring about beneficial change that will assist the Kenya Red Cross Society, aid agencies, funders, and the general public. Through our investigation and improvement of the factors that contribute to successful procurement agreements, we want to significantly impact the delivery of humanitarian relief.

1.6 Scope of the study

The goal of this research, scheduled to be conducted from September to December 2023, is to investigate the factors that influence the outcomes of negotiations during the procurement process within the supply chain division of the Kenya Red Cross Society. The study particularly focuses on the geographic area located in South C, Nairobi County, where the offices of the Kenya Red Cross Society are headquartered. The duration of the study project will span four months, commencing in September 2023 and wrapping up in December 2023. This timeline allows for adherence to the objectives of the project while allowing for comprehensive collection, analysis, and reporting.

The target demographic of the study comprises the supply chain department, which is responsible for overseeing and implementing procurement processes within this particular region. Acquiring understanding regarding the factors that influence effective communication inside an organisation is of utmost significance. This study primarily focuses on people who are associated with the supply chain division of the Kenya Red Cross Society. Due to their pivotal importance in the procurement process, this specific group functions as a vital source of information for acquiring a full comprehension of the complexities associated with

procurement negotiations. In order to efficiently attain its aims, the study will employ several data collection methodologies, including surveys, interviews, and other pertinent approaches, to gather data from the designated target population. The utilisation of these data gathering methods would facilitate the acquisition of valuable insights pertaining to the experiences, difficulties, and strategies implemented by the procurement negotiating group within the Kenya Red Cross Society.

1.7 Chapter Summary

The chapter has discussed the background of the study, problem statement, research objectives and research questions. It has gone further to highlight the significance of the study, justification of the study and finally chapter summary.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The primary objective of studying literature review is to examine at what other researchers have done on agreement in the past and figure out what the study's gaps are. When people negotiate, they may have to deal with a single problem or many. They can be one-on-one or between terms of negotiators who are negotiating different problems. The study takes a critical look at the problems. Websites and publications will be used as sources for the literature study. This chapter introduces the literature review underlying the topic under study. The chapter starts by highlighting the theories on which the study will be anchored on, then an empirical review is done on variables under study, research gaps identified, conceptual framework done, operationalization of variables and final chapter summary.

2.1 Theoretical Literature Review

The theoretical literature review serves the purpose of identifying existing theories, establishing their interconnections, assessing the extent of their exploration, and facilitating the formulation of novel, empirically feasible hypotheses.

2.1.1 Transaction Cost Theory

A good way to understand how the Kenya Red Cross buys things is to look at transaction cost theory. Williamson (n.d.) says that transaction cost theory is about the costs of doing business in the market, like the costs of searching, negotiating, and enforcing your rights. The idea is that groups, like the Kenya Red Cross, might decide to do some deals themselves to cut costs and make things run more smoothly. Transaction cost theory can help us understand how the Kenya Red Cross buying department makes decisions and the choices they make about whether to outsource or keep work in-house. A study by Kabachia and Kihara (2019) looked at how outsourcing buying affected Kenya Airways's work. The transaction cost theory, along with the principal agency theory and the resource dependence theory, helped them with their study. The study found that outsourcing some procurement tasks can improve performance because it frees up resources for the company to focus on its main strengths while lowering transaction costs. Also, Ominde et al. (2022) looked into transactional supply

chain governance and how well agro-processing companies in Kenya did. They discovered that putting in place transactional supply chain control systems, which are in line with transaction cost theory, can help these companies make more money, sell more, and get a bigger share of the market. The Kenya Red Cross procurement department might do better if they used similar governance methods to make things run more smoothly. Ismail et al. (2018) also talk about how transaction cost theory can be used in the construction business. In their defence, they say that the theory can be used to figure out which procurement method is best for building projects by looking at the transaction costs of each one. This shows how transaction cost theory can help with making decisions about buying and making things run as smoothly as possible. For the most part, transaction cost theory is a useful way to understand how the Kenya Red Cross buys things. The company can make smart choices to boost speed and performance by looking at the transaction costs and the possible benefits of outsourcing or bringing work in-house.

2.1.2 Social Exchange Theory

In organisational behaviour, social exchange theory (SET) is a well-known conceptual paradigm (Cropanzano & Mitchell, 2005). It highlights the value of continuing communication channels and how agreements can affect the goals and course of future business dealings between suppliers and customers (Thomas et al., 2013). Research has investigated the relationship between word-of-mouth intents and bargaining and negotiation interactions using SET (Thompson et al., 2017). Social exchange norms like reciprocity, bargaining, and information sharing mediate this relationship. SET has also been used to analyse the influence of control and trust on the success of megaprojects (Wang et al., 2019). Social exchange theory sheds light on the dynamics of the negotiation process in the context of procurement negotiations. According to Thomas et al. (2013), it implies that discussions are a component of a bigger trade relationship between suppliers and customers rather than being stand-alone occurrences. This viewpoint emphasises how crucial it is to take the long-term effects of negotiation outcomes and their possible influence on subsequent interactions into account. Moreover, reciprocity in negotiations is emphasised by social exchange theory. The mutual exchange of obligations and rewards between parties is referred to as reciprocity (Molm, 2003). This may show up in procurement negotiations as compromises made to get to a win-win arrangement between suppliers and customers. According to the notion, parties'

willingness to participate in further exchanges may be influenced by how fair and equitable they believe the negotiating process to be (Molm, 2003). Social exchange theory recognises that power dynamics play a role in procurement negotiations as well. Power can affect how talks turn out and how resources are allocated between suppliers and customers (Blau, 2017). Gaining a good negotiating outcome and preserving enduring partnerships require an understanding of power dynamics.

To sum up, the idea of social exchange offers a useful structure for comprehending negotiations related to procurement. It emphasises how power dynamics, reciprocity, and continuing exchange relationships all influence how negotiations turn out. Procurement professionals may negotiate successfully and establish long-lasting relationships with suppliers by taking these aspects into account.

2.1.3 Institutional theory

The institutional theory is widely recognised method to look at how organisations work and how decisions are made (Powell & DiMaggio, 1993). Powell and DiMaggio (1993) say that it's important to think about how social and cultural rules, norms, and practises affect how organisations act and behave. When it comes to procurement negotiations, the institutional theory helps us understand how institutional factors affect the process and result of the negotiations. One study by Sidabalok & Yamada (2020) looked at how the number of negotiations affected the prices of cars in Indonesia's public sector. Multinomial logistic regression was used to look at the negotiation process of a Public-Private Partnership (PPP) project . Their results show that the number of negotiations has a big impact on the price of cars. This shows how important it is to understand the institutional setting in which talks happen (Sidabalok & Yamada, 2020). Another study by Mélon & Spruk, 2020 looked at how e-procurement affects the quality of institutions. The writers did real-world study to look into the link between using e-procurement and the quality of institutions. According to what they found, e-procurement can improve the standard of institutions. This means that new technologies in procurement can change how institutions do things (Mélon & Spruk, 2020).

A cross-sectional poll was done in Tanzania to find out what procurement professionals thought about the skills and traits of procurement negotiators by Mwangike & Chagalima,

(2021). The study was mostly about the job of buying negotiators and how to make sure that purchases go smoothly. The results show how important it is to have good communication skills and traits in the buying process (Mwagike & Changalima, 2021). A study on the combined learning of industrial clusters in self-made areas suggested a way for supply chain partners to work together on purchasing according to Pang et al. (2021). To improve teamwork in procurement negotiations, the authors came up with a negotiation structure and adaptive strategies based on selective integrated learning. Their study helps us understand how negotiations work when people work together in the supply chain (Pang et al., 2021). Trust is an important part of negotiations that make them work well according to Butler (1999). A study looked at how trust expectations, sharing information, the climate of trust, and the success and efficiency of negotiations are related. The results show that trust is a big part of getting better results in negotiations. This shows how important it is to use methods for building trust in procurement negotiations (Butler, 1999).

In the end, the institutional theory gives us useful information about how procurement talks work. Several studies have looked at how institutional factors, like the number of talks and e-procurement, affect the results of negotiations. An important area of study has been on the skills and traits of procurement negotiators, the importance of trust in negotiations, and the creation of negotiation models for working together in the supply chain. These studies help us learn more about the institutional setting and how it affects talks for buying things.

2.2 Empirical Literature Review

The process entails the identification, evaluation, and synthesis of relevant empirical studies in order to get a more profound comprehension of the existing body of knowledge and pinpoint areas that require more inquiry or exhibit gaps.

2.2.1 Negotiation strategies and Procurement Negotiations

To fully grasp negotiation strategies and how they affect the success of procurement, it is important to look at them from different angles and use real-world examples. Strategies for negotiating are very important in procurement because they affect how deals and contracts turn out (Pang et al., 2021). Stresses how important negotiation strategies are for preventing irrational behaviour during negotiations and boosting efficiency in joint procurement (Pang et al., 2021). In joint procurement, negotiation strategies are very important because they help

keep people from acting irrationally and increase efficiency. As a result, they make it easier to make smart decisions, deal with the different interests of stakeholders, and speed up the buying process. This leads to better teamwork and better use of resources. In the end, good negotiation skills are what make a joint procurement setting that is both productive and efficient.

Thomas et al. (2015) also talk about how the history of a relationship affects the expectations for a negotiation approach in long-term relationships between buyers and sellers. This shows how hard it is to come up with good negotiation strategies when you're dealing with long-term business ties. Additionally, Ott et al. (2016) talk about ways to avoid disagreements and emphasise integrative negotiation solutions, which are very important in procurement negotiations (Ott et al., 2016). In order to minimise the increasing levels of conflict and to place an emphasis on integrative negotiating solutions, such as cooperative tactics, these strategies are techniques that can be utilised. The authors Neale and Bazerman (1985) explore techniques that are focused on loss and gain. They propose that while analysing the potential for perceived gains and costs, negotiators select particular outcomes during the negotiation process. The research employed interdisciplinary approaches, integrating concepts from fields such as psychology, decision analysis, and game theory to understand negotiation behavior and rational decision-making in procurement.

There is a need for research that clarifies strategic alignment in the public procurement process, particularly in activities such as bid design, bid evaluation, negotiation, and awarding. This suggests a research gap in understanding how strategic alignment can be effectively integrated into various stages of the procurement process to enhance negotiation outcomes.

In conclusion, negotiation tactics have a big effect on how well procurement works, which in turn affects how agreements and contracts turn out. To get good results in procurement, you need to know the skills and traits of negotiators, how past relationships affect the present, and the difference between auctions and talks.

2.2.2 Supplier Relationship and Negotiation success

For businesses to reach their supply chain goals, they need to be able to negotiate and build relationships with their suppliers well. The goal of this empirical literature review is to bring together previous studies on supplier relationships and negotiation success, including their results, methods, and any gaps in the research that have been found.

A number of studies have looked into how relationships and talks with suppliers work. In 2010, Ambrose et al. looked at supply chain relationships from the point of view of both buyers and sellers. They found that imagination and social exchange theory are very important for making relationships work. Zhang and Huo (2013) discovered a strong direct link between relying on one source and integrating the supply chain (SCI). Sillanpaa et al. (2015) talked about ways to help suppliers grow and stressed the importance of using real-life case studies to make partnerships between buyers and suppliers better. Thomas et al. (2015) looked into how the past of a relationship affects expectations about a negotiation strategy. They added to the small body of empirical research that has been done on negotiations from the point of view of a buyer-supplier relationship. These studies give us useful information about what makes supplier relationships and negotiations work or not work.

The approaches taken in the research on supplier relationships and negotiation results are not all the same. Ambrose et al. (2010) conducted a qualitative study on buyer-supplier perspectives on supply chain relationships. They used interviews and data collection from both buyers and suppliers to gain insights into the dynamics of these relationships. This approach allowed them to explore the subjective experiences and perspectives of both parties involved in the buyer-supplier relationship, providing a comprehensive understanding of the factors influencing relationship success (Ambrose et al., 2010). Zhang and Huo (2013) used structural equation modelling to look at how trust and dependency affect the integration of the supply chain. Thomas et al. (2015) did qualitative study to look into how the history of a relationship affects expectations about how to negotiate. Based on real-life case studies, Sillanpaa et al. (2015) did a literature review to give strategies for developing suppliers. These studies show how to use both quantitative and qualitative research methods to look into the complicated relationships and talks between buyers and sellers.

Even though there is a lot of writing on the subject of working with suppliers and negotiating well, some gaps have been found. Real-world studies are needed to show how well negotiation tactics work in situations where buyers and sellers are dealing with each other.

In conclusion, the research literature on supplier relationships and negotiation success tells us a lot about what makes relationships work and how to negotiate well. The studies that were looked at show how important things like creativity, social exchange theory, dependence, trust, and relationship experience are. Some of the methods used are literature reviews, quantitative analysis, and qualitative study. But there are still some things that haven't been written about them. For example, more real-world studies are needed on negotiation strategies, how supplier traits affect process improvement, and how supplier innovation affects the benefits of outsourcing. To learn more about how to work with suppliers and negotiate better, future study should focus on filling in these gaps.

2.2.3 Ethics and procurement negotiations

Ethics in procurement negotiations is a critical area of study. Rotich et al.(2021) reported that it is expected that institutions will follow ethical practices to make sure that the buying management process runs smoothly. Because most projects are funded by donors, the procurement method is very different from one organisation to the next. This makes things less consistent in public schools. The point of this study was to find out how ethical principles affect buying management in some Kericho County public secondary schools. The study was based on two theories: the deontological theory and the virtue ethics theory. A correlational research method was used for the study. 220 public secondary schools, which were made up of 1100 tendering groups, were used by the target population. The school was chosen for the study using both simple random selection and stratified sampling. Yamane's formula was used to get the sample size of 294 respondents. Questionnaires were used to gather information. The results of the study should help school administrators, researchers, lawmakers, and other important people. Both descriptive and inferential methods were used to look at the data and show it. The ANOVA results showed that ethical standards were significantly linked to procurement management ($p < 0.05$). Ethical rules should be followed because they have made buying management a lot better. To make sure the process is honest, internal control systems need to be strengthened so they can detect corruption and fraud in buying. In the context of negotiations, Prasad & Cao (2011) discuss the barriers to cross-

cultural negotiations, including differences in language, ethical systems, and various cultural traits (Prasad & Cao, 2011). Additionally, Yeung et al. (2012) confirm that trust and business ethics-related factors and strategies are more helpful for collaborative working arrangements (Yeung et al., 2012).

A gap identified is the ethical sensitivity of future procurement professionals in developing country contexts, particularly in relation to gender, family background, and cynicism, which requires further exploration. This is particularly important given the prevalence of unethical practices in procurement environments and the need to understand how ethical sensitivity can be cultivated among aspiring procurement professionals.

2.3 Summary and Research gaps

The first empirical literature review examines The need for effective negotiation strategies in the procurement process is crucial for preventing irrational behavior and boosting efficiency. These strategies help make smart decisions, deal with stakeholders' interests, and speed up the buying process. The history of a relationship affects expectations for negotiation approaches, making it difficult to develop good strategies in long-term relationships. Integrative negotiation solutions, such as cooperative tactics, can minimize conflict and promote better teamwork. Neale and Bazerman (1985) explore techniques focused on loss and gain, integrating psychology, decision analysis, and game theory to understand negotiation behaviour and rational decision-making in procurement. There is a need for research on strategic alignment in the public procurement process, particularly in bid design, bid evaluation, negotiation, and awarding.

The second empirical literature review analyses previous studies on supplier relationships and negotiation success, including results, methods. Previous studies have explored the role of imagination and social exchange theory in supplier relationships, the connection between reliance on one source and supply chain integration, the importance of real-life case studies for supplier growth, and the impact of past relationships on negotiation strategies. The review also highlights the need for a comprehensive understanding of the factors influencing relationship success, using both quantitative and qualitative research methods. The review provides valuable insights into the dynamics of supplier relationships and negotiation, highlighting the importance of understanding the complex dynamics between buyers and

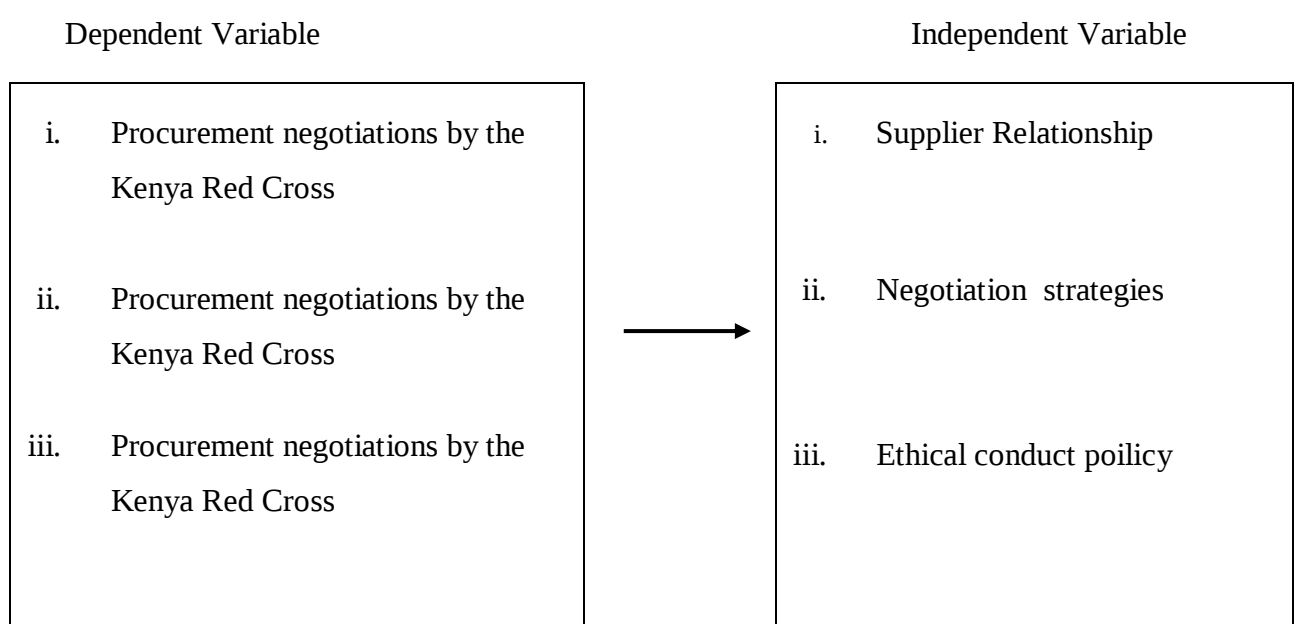
sellers. Real-world studies are needed to show how well negotiation tactics work in situations where buyers and sellers are dealing with each other.

The third empirical review investigates the impact of ethical principles on procurement management in Kericho County public secondary schools. Using deontological and virtue ethics theories, the research found a significant link between ethical standards and procurement management. The study suggests that internal control systems should be strengthened to detect corruption and fraud. However, a gap exists in understanding the ethical sensitivity of future procurement professionals in developing countries, particularly in relation to gender, family background, and cynicism. This is crucial to address the prevalence of unethical practices in procurement environments and cultivate ethical sensitivity among aspiring professionals.

2.4 Conceptual Framework

The link between your variables, or the traits or features you want to investigate, is represented by a conceptual framework. Conceptual frameworks are often created using a literature analysis of previous studies on your issue. They can be textual or visually presented.

Table 1: Table showing the linkage between the dependent and independent variables



2.5 Operationalization of Variables

Table 2: Table showing the operationalization of variables

Study Objective	Variable	Data analysis
i. To determine the effect of supplier relationship on procurement negotiations by the Kenya Red Cross.	Supplier relationship and procurement negotiations	Descriptive Statistics
ii. To examine the effect of negotiation strategies on procurement negotiations by the Kenya Red Cross.	Negotiations strategies and procurement negotiations	Descriptive Statistics
iii. To establish the effect of ethical conduct policy on procurement negotiations by the Kenya Red Cross.	Ethical conduct policy and procurement negotiations	Descriptive Statistics

2.6 Chapter Summary

We learned about the literature review that supports the topic we are studying in this chapter. The first part of the chapter talked about the theories that will support the study. Next, there was an empirical review of the variables that would be studied. Finally, research gaps were found, a conceptual framework was made, the variables were operationalized, and the chapter ended with a summary.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

It talks about the methods that will be used in the study. The study design, target group, sample and sampling technique, making an instrument for research, pilot test, and data analysis were also part of it.

3.1 Research design

A sort of research approach known as descriptive research design seeks to characterise or record the traits, actions, attitudes, beliefs, or perceptions of a population or group under study (McCombes, 2023). Predicting future results or attempting to demonstrate cause-and-effect links between variables are not goals of descriptive research design. Rather, the emphasis is on presenting a comprehensive and precise depiction of the gathered data, which can be advantageous for formulating conjectures, investigating patterns, and recognising trends within the data (McCombes, 2023). A survey shall be conducted; this involves collecting data from a sample or population through standardized questionnaires. Surveys can be used to describe attitudes, opinions, behaviours, or demographic characteristics of a group, and can be conducted in person, by phone, or online.

3.2 Target Population

The following will be the target population. The procurement manager (5), the procurement officer (5) the procurement assistant (5) and the procurement volunteers (15). A total of thirty people will be the target population with the procurement department of the Kenya Red Cross Society.

3.3 Sample and sampling technique

I will be using convenience sampling. In convenience sampling, units are chosen for the sample because they are the easiest for the researcher to get to. This could be because they live nearby, are free at a certain time, or want to take part in the study. The sample size that will undergo the study will be thirty percent of the target population.

3.4 Instruments

A lot of people think that questionnaires are a good way to get information about a lot of different subjects. They help us understand how people feel (Alblihed & Alzghaibi, 2022). They've been used in studies about marketing performance (Nurhasanah & Murwatiningsih, 2018), job stress and intention to leave, historical understanding and awareness, child labour and school activities, educational performance, language learning strategies, elementary school activities, and use in supply chain management, among other things. The primary instrument for gathering data for the study was a questionnaire. It was mostly used to gather field-based quantitative and qualitative data. . Cooper and Schindler (2005) say that the poll questionnaire is perfect because it lets you get information quickly and easily. It also makes it possible to do both inferential and descriptive studies. For the survey's closed-ended questions, a 5-point Likert scale was used.

3.5 Pilot study

A pilot study is a small-scale preliminary study conducted before any large-scale quantitative research to evaluate the potential for a future, full-scale project (Simkus, 2023). It is best to conduct the pilot study on people who are not in the main study because they are as similar as possible to the target population but not on those who will be a part of the final sample (Simkus, 2023). This is because using the same people from the pilot research might bias the results if they are employed in the main study. A pilot research comprising 20% of the sample size was undertaken before the main inquiry. This contributed to the primary study's questionnaire's improvement, readability, and drop in the likelihood of misunderstanding

3.5.1 Validity

A questionnaire is a great way to study, but it's important to make sure it really does measure what it's meant to measure. There are various methods to check for validity, including construct validity, criterion-related validity, and subject validity. Furthermore, Moreno-Murcia et al. (2020) stress how important it is to carry out a test study to ensure that the information is correct and that the individuals involved in the study can comprehend it. Before giving the questionnaire to people, they stress how important it is to make sure it is valid and reliable. This is to make sure that valid and reliable study data is gathered. If you want to know if the study's questionnaire was right and reliable, Faradillah and Septiana

(2022) also talk about how important validity and reliability are. They stress how important uniformity is for getting the data you need. That's why a questionnaire needs to be put through a lot of tests to make sure it counts the variables correctly and gives accurate results before it can be used as a research tool. Some of these tests are expert methods, statistical analyses, and pilot studies.

3.5.2 Reliability test

First, make sure the device is internally consistent. Then, do a pilot study to make sure it consistently measures the things it's supposed to measure. The test and retest method on questionnaires is a way of assessing the reliability of a questionnaire by measuring how consistent the results are when the same questionnaire is administered to the same participants at different time points (Hassan, 2023). The test and re-test method was applied. Respondents must go at their own pace and ask questions as needed while filling out the survey. The task will be done again with different groups three days later, and the answers will be looked at. Findings from the study will help find and fix mistakes that could stop consistency.

3.6 Data Collection Procedure

The data given here are in the form of a questionnaire. Luckily, it had both open-ended and closed-ended questions, and the drop-and-pick method made it easy to handle. The drop and pick method in questionnaires refers to the process of administering a questionnaire to participants and then re-administering the same questionnaire to the same group at a later time to assess the consistency and stability of responses. This method is crucial in evaluating the reliability and validity of the questionnaire. The study by Razak & Adrian (2022) highlights the importance of pre-testing the questionnaire on a group of participants who were not included in the study to ensure that the questions were easily understood, demonstrating the relevance of the drop and pick method in questionnaire development and validation (Razak & Adrian, 2022).

3.7 Data Analysis and Presentation

The Statistical Package for the Social Sciences (SPSS) version 25 was used to filter and code all copies of the filled-out form so that they could be used for quantitative analysis. In the study, descriptive statistics were used to sort raw data into groups, make tables, and summarise the data. The qualitative data were used to make themes, which were then used to figure out what the data meant. For quantitative data, tables were used. For qualitative data, narratives were used.

3.8 Ethical considerations

When doing research, ethical issues are a set of rules and principles that researchers must follow to make sure their studies are done in an honest and responsible way. These points are meant to safeguard the rights, safety, and health of people who take part in research, along with the honesty and dependability of the study itself (Bhandari, 2023).

3.8.1 Informed Consent

Researchers and people who might want to take part in a study talk about informed consent. The researcher tells the potential participant enough about the study and its risks and rewards, and the potential participant agrees to take part voluntarily. It is an important part of doing ethical study with people, and its goal is to protect their rights and well-being (Hassan, 2023). According to the idea of "informed consent," the researcher should give study participants enough information and promises about the study so that they can understand what it means and choose for themselves whether to take part or not, without being forced or pressured. This was possible because the researcher gave the people who filled out the assessment two weeks to do so.

3.8.2 Voluntary Participation

Subjects of research who are "voluntary" are those who choose to take part in the study without being forced or pushed to do so. Anyone who is taking part in the study can quit at any time and not feel like they have to keep going. People who drop out of the study don't have to give a reason (Bhandari, 2023). They were not pushed in any way to fill out the survey. It was important that they could stop the questions or choose not to take part at any

time. If they decide to stop or leave the group, it will not change how they deal with the questioners or the other people in the group.

3.8.3 Confidentiality

Researchers have a social duty to keep the personal information of the people who take part in their studies private and not let anyone else see it or share it. This is called "confidentiality." Researchers don't know who the people who took part are, and they don't share their data with anyone else. This is called confidentiality (Bhandari, 2023). Everyone who took part was promised full privacy, and the data collected will only be used for research purposes.

3.8.4 Privacy

This demonstrates respect for the anonymity of the respondents. This will be improved by requesting that respondents omit their identities from the questionnaires.

3.8.5 Anonymity

Respondents were assured that they would remain anonymous for the whole process of the research study. Someone who takes part in a study and can't be recognised by anyone, not even the researcher, is said to be "anonymous." This means that no information that could be used to identify a person will be collected in any way during the study. The things that make someone directly identifiable are names, addresses, e-mail addresses, phone numbers, pictures, IP addresses, and government-issued ID numbers like social security numbers.

3.9 Chapter summary

It talked about how the study for the chapter will be done. The research plan, the target group, the sample, the sampling method, the making of a research tool, a pilot test, and the analysis of the data were all part of it.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This part mostly talks about the research work's results, analysis, and evaluation in line with its goals. These specifics were looked at, and the data is shown using rates and percentages to help the reader understand what was talked about.

4.1 Presentation of Research Findings

4.1.1 Respondent profile

Before diving into the main study results, it's important to know what the respondents were like. This part gives an overview of the demographic information that was gathered from the participants, such as their jobs, the number of years they've worked as professionals, and the type of work they do for their companies.

Table 3: Table showing the Respondent Demographics

Demographic Variable	Frequency
Role within Organization	
Procurement Officer	5
Procurement Assistant	5
Procurement Manager	5
Procurement Volunteer	15
Years of Experience	
Less than 1 year	12
1-5 years	7
6-10 years	4
More than 10 years	7

It goes without saying that most of the procurement volunteers were the least experience garnering a 40% in frequency in the less than 1 year section to the contrary the most experience were the procurement managers and procurement officers garnering 23.3% in frequency in the more than 10 years section.

4.1.2 Supplier relationship and procurement negotiations

In this section I sought out to get the impact of supplier relationship on procurement negotiations.

Table: 4 Table showing the percentage rating of Collaboration with Key Suppliers

Rating	Frequency	Percentage
Very Poor	0	0%
Poor	0	0%
Neutral	5	16.67%
Good	11	36.67%
Very Good	14	46.67%

The information shown shows that The Kenya Red Cross is becoming more positive about working with its main providers. Interestingly, 46.67% of respondents gave a grade of "Very Good," which means that a lot of professionals who negotiate procurement terms think their current work with suppliers is going very well. This shows a strong and positive working relationship with key suppliers, showing that they are happy and successful in their work together.

A large 36.67% of respondents also said that their collaboration was "Good." This is more proof of the fact that a large majority of respondents are happy with their current supplier ties. The word "Good" means that the review was positive, and it means that a lot of procurement professionals think their work with key suppliers is useful and effective, though maybe not at the highest level.

In addition, 16.67% of those who answered gave a grade of "Neutral." Even though this is the smallest proportion, it is important to think about the points of view of people who may not strongly lean towards labelling the collaboration as either positive or negative. Being "neutral" could mean taking a middle ground position, which means that for some respondents, there may be parts of the partnership that are neither very good nor very bad.

In conclusion, most of the people who answered from The Kenya Red Cross were happy with working with key suppliers, as shown by the high number of "Very Good" and "Good" scores. The data shows that there is a good working relationship between the company and its suppliers, with good communication, mutual understanding, and successful procurement talks. A small number of respondents say they have no opinion, but generally, the picture is one of good teamwork that builds a strong base for successful procurement practices. The organisation should be able to handle and improve its relationships with suppliers during procurement talks thanks to this positive review.

Table 5: Table showing the Frequency of procurement negotiations

Frequency	Percentage
Rarely	13.3%
Occasionally	23.3%
Frequently	40%
Always	23.3%

The above information tells us that amongst the Red Cross Procurement team 13.3% rarely participate in procurement negotiations and then would be 23.3% believe they occasionally participate in the procurement negotiations, 40% which is the most believe they frequently participate in procurement negotiations and lastly 23.3% always participate in procurement negotiation.

The different levels of involvement in the Red Cross Procurement team give a more complex picture of how involved the team is in negotiations for procurement. 13.3% of the team members said they rarely took part in negotiations, which could mean they have specialised jobs where they don't usually take part in negotiations. A bigger group, 23.3%, said they only participated sometimes, which could mean they have jobs that require them to occasionally work on certain projects or categories of procurement. The largest group, making up 40% of the team, said they participated often. This group is probably made up of people whose jobs directly involve regular buying activities. Another interesting group, made up of 23.3% of those surveyed, said they always took part in talks. This suggests that there is a core group of people who are always involved in different parts of procurement negotiations. The range of

involvement levels shows a flexible and dynamic procurement team that involves members in a way that fits their roles and responsibilities to ensure successful procurement outcomes.

Table 6: Table showing the perception of supplier relationship impact

Rating	Frequency	Percentage
Strongly disagree	0	0%
Disagree	2	6.67%
Neutral	5	16.67%
Agree	11	36.67%
Strongly Agree	12	40%

From the above information we can observe that the people who seem to disagree that supplier relationship does impact the successfulness of a procurement negotiation are 6.67%, 16.67% are neutral, 36.67% Agree and the highest are the those who strongly agree who garnered 40%

The Red Cross Procurement team's answers show that they have different ideas about how relationships with suppliers affect the success of procurement talks. A small group, or 6.67%, disagrees, which suggests that they think negotiation success may depend on things other than supplier ties. 16.67% of people are in the undecided group, which includes people who are not sure what they think or are looking for more information to make up their mind. 36.67% of those who answered "yes" think that relationships with suppliers are important, which shows how important it is to work together. Notably, the largest group, at 40%, strongly thinks that having good relationships with suppliers is essential for winning negotiations. This main point of view supports a common feeling within the team, stressing how important confidence and working together are for achieving good results. The different answers give us a chance to learn more about different people's points of view and experiences, which helps us get a better sense of how complicated supplier relationships are and how well Red Cross procurement talks work.

Further more I went ahead and got information on the the average cost saving perecentage from the respective employees.

Table 7: Table showing the Average initial cost against the Average Negotiated Cost

Employees	Average Initial Cost	Average Negotiated Cost
Procurement Volunteers	300,000	290,000
Procurement Assistants	500,000	470,000
Procurement Officers	700,000	680,000
Procurement Managers	1,000,000	950,000

$$\begin{aligned}
 \text{Average Cost Saving Percentage} &= \frac{(\text{Average Initial Cost} - \text{Average Negotiated Cost}) \times 100}{\text{Average Initial Cost}} \\
 &= \frac{(500,000 - 478,000) \times 100}{500,000} \\
 &= 4.4\%
 \end{aligned}$$

These are figures gathered from their most recent procurement negotiations as trying to ascertain that negotiation is indeed a cost saving action hence would prove transaction cost theory in the literature review to be correct in a sense that it does save in costs.

4.1.3 Negotiation strategies and their effectiveness on procurement negotiations

In this section I sought out to find out the negotiation strategies used and their effectiveness on procurement negotiations.

Table 8: Table showing the rating of importance of negotiation strategies amongst the KRCS procurement department

Rating	Frequency	Percentage
Not Important	0	0%
Slightly Important	7	23.33%
Neutral	5	16.67%
Important	8	26.67%
Very Important	10	33.33%

The above information shows that some Kenya Red Cross procurement team find negotiation strategies importance on successful procurement 23.33% as slightly important, 16.67% as neutral and 26.67% as important. As with the remaining 33.33% finding it as very important. That information shows how the Kenya Red Cross procurement team thinks about how important negotiation tactics are for getting good procurement results. A significant 23.33% of those who answered think that negotiation strategies are somewhat important. This shows that people are aware of their part, but they may not think they are as central to the success as others do. Also, 16.67% took a neutral stance, which shows that there is a part of the team that may need more information or has a more balanced view on how important negotiation tactics are. Yes, 26.67% of those who answered think negotiation techniques are important, which shows that people understand how important they are to the success of procurement efforts. The largest group, with 33.33% of the vote, says that negotiation strategies are very important. This shows that most people on the team agree that these strategies are essential to getting good buying results. There are different points of view on this topic, which shows that the procurement team has a deep understanding of how important different negotiation tactics are.

Table 9: Table showing us the rated effectiveness of negotiation strategies

Rating	Frequency	Percentage
Very Ineffective	0	0%
Ineffective	1	3.33%
Neutral	5	16.67%
Effective	7	23.33%
Very effective	17	56.67%

The above information show how much the Kenya Red Cross procurement team rate the effectiveness of their negotiation strategies to influence successful procurement negotiation outcomes with 3.33% claiming in to be ineffective, 16.67% being neutral on the matter, 23.33% claim it to be effective and lastly 56.67% claim them to be very effective.

The information given shines light on how effective the Kenya Red Cross procurement team thinks their negotiation strategies are and how they affect the success of procurement negotiations. Only 3.33% of people think their negotiation methods don't work, which shows

that there is a small group that may be having trouble or finding ways to improve the way they negotiate. Meanwhile, 16.67% are still not sure what to think about it, which suggests that this group may have had mixed experiences or different views within the team about how well their overall negotiation strategies worked.

That's right, 23.33% of the team says they think their negotiation strategies work, which is a big chunk of the group that knows their approach leads to good procurement outcomes. Notably, the largest group, which makes up 56.67%, says that their negotiation tactics work very well. This majority opinion shows that most people on the team are confident in how strong and effective their negotiation strategies are at leading to successful procurement talks.

People on the team have a lot of different points of view, which suggests that they have a complex understanding of how to negotiate. Most of them are very confident that their tactics will help them get good results. More research into the specific strategies the team used and the factors that affected how successful they were seen to be could give them useful information for improving and refining the way they negotiate in the future. This information shows that, on the whole, the team knows how important good negotiation skills are for successful procurement negotiations and has a positive opinion of the tactics they are using now.

Furthermore the strategy that was mostly used in negotiations was integrative negotiations, which are also called "win-win" negotiations, are cooperative agreements where both sides try to get the best result possible. In distributive negotiations, people usually fight over a limited amount of resources. In integrative negotiations, on the other hand, the goal is to make the pie bigger so that everyone can gain. This method stresses working together, talking to each other honestly, and coming up with creative answers to problems so that everyone is happy.

4.1.4 Ethical conduct policy and successful procurement negotiations

In this section I sought out to find out if ethical conduct policy does indeed influence successful procurement negotiations

Table 10: Table showing us the number of people acknowledging the existence of ethical conduct policy within KRCS

Response	Frequency	Percentage
Yes	30	100%
No	0	0%
Not sure	0	0%

All of the Kenya Red Cross procurement department members agree that there is an ethical conduct policy within their organisation.

Table 11: Table showing the rated Implementation of Ethical Conduct Policy in procurement negotiations

Response	Frequency	Percentage
Not Implemented	0	0%
Slightly implemented	3	10%
Moderately implemented	8	26.67%
Mostly implemented	12	40%
Fully implemented	7	23.33%

From the above information we find out that 10% believe that the implementation of ethical conduct policy in procurement negotiations are being slightly implemented, 26.67% feel that it is moderately implemented, 40% feel that it is mostly being implemented and lastly 23.33% believe it is being fully implemented in negotiations.

According to the information given, the Kenya Red Cross procurement team has different ideas about how to enforce ethical conduct policies during procurement talks. Ten percent of those who answered think that the adoption is only partially complete. This suggests that there may be room for improvement or more attention to fully incorporate ethical considerations into the negotiation process.

More people, 26.67% of those who answered, think that rules on ethical behaviour are being put into place in a moderate way. This seems to be an acknowledgement of progress in

bringing ethical guidelines into procurement talks, but it also suggests that more steps may be needed to make the implementation complete and strong.

Notably, 40% of the team thinks that rules about ethical behaviour are mostly used in talks. There were a lot of people who answered who said they were confident in the organization's commitment to ethical practices. This suggests that ethical concerns are a big part of their procurement talks.

Lastly, making up 23.33%, thinks that the policy on ethical behaviour is fully applied in negotiations. This shows that this part of the team is very dedicated to following moral guidelines and standards throughout the whole procurement process.

The different points of view on the team show that there are different levels of understanding about how ethical conduct policies are incorporated into procurement talks. Everyone agrees that ethical concerns play a part, but the different levels of implementation that people see show where changes could be made. It might be helpful to look into specific examples or problems that come up when putting ethical conduct rules into place. This could help the procurement team improve and strengthen their ethical framework. Overall, the data shows that people are more likely to follow ethical standards, and a big part of the team was sure that ethical standards would be followed in procurement talks.

Table 12: Table showing the trustworthiness rating of the ethical practices conducted during procurement negotiations

Response	Frequency	Percentage
Very Low Trust	0	0%
Low Trust	0	0%
Neutral	5	16.67%
High Trust	25	83.33%
Very High Trust	5	16.67%

From the statistics above the members of Kenya Red Cross procurement team seem to have a trustworthiness rating of the ethical policies in place. 16.67% being neutral, 83.33% having high trust and 16.67% having very high trust.

The numbers shown tell us a lot about how much trust the people on the Kenya Red Cross buying team have in the ethical rules that are in place. One important group, making up 16.67% of respondents, takes no position at all. This suggests that they may have mixed feelings or different levels of trust in the ethical rules that guide procurement negotiations.

A huge 83.33% of the team says they have a lot of faith in the ethics rules, which is positive. By this measure, a large majority of respondents think that the ethical framework that guides procurement practices is honest and trustworthy. Such high levels of trust show that the team is generally sure that ethical concerns are properly taken into account and carried out during the buying process.

Also, 16.67% of those who answered go above and beyond high trust to say they have very high trust in the ethical practices. This shows that this subgroup has even more faith in the ethical rules that govern procurement talks, showing that they strongly believe they work and can be trusted.

Based on the overall pattern of answers, it looks like the team feels good about how trustworthy the ethical criteria are. Although some people may have doubts or an open mind, the vast majority has a strong or very strong faith in the moral framework. Overall, this shows that the Kenya Red Cross procurement team thinks the ethical rules are strong, dependable, and good for building trust in the buying process. It might be helpful to learn more about the specific aspects or behaviours that add to this high level of trust, as this could help the team keep getting better and upholding ethical behaviour.

4.2 Limitations of the study

The study had a lot of problems with time and money, mostly because the researchers only had personal resources available. The study only had a limited amount of time, so it wasn't possible to do a thorough and in-depth investigation into the factors that affect good negotiations during the procurement process. There is no doubt that these limitations made it

harder for the study to fully explore and analyse the topic. If the study had had more time and money, it could have covered a wider area, letting it look into the complicated nature of negotiations in more depth. Getting the necessary information took a long time, which was a big problem that slowed down the project's progress. Also, the organization's decision to keep some information secret made the research even more difficult, and the lack of that information affected the depth and breadth of the study's results.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

This last part of the study project is mostly about summarising what was found while doing the work for the institution. For example, the discussions, conclusions, and my own suggestions based on what I had learned and found, as well as suggestions for the parts and problems that I really thought needed more attention while I was doing the research.

5.1 Summary of findings

There is a good change in the Kenya Red Cross's relationship with its main providers. 46.67% of those who answered rated their work as "Very Good," which shows a strong and good relationship. 36.67% of them also said their collaboration was "Good," which means it was useful and successful. 16.67%, on the other hand, gave a "Neutral" grade, which means they thought some parts of the partnership were neither very good nor very bad. Overall, the review shows that the company and its suppliers have a good working relationship, with good contact and successful procurement talks. Another finding was that the average cost save rate was 4.4%. This shows that having a good relationship with suppliers saves money. The Kenya Red Cross Procurement team is involved in procurement talks in different ways. 13.3% don't engage very often, and 23.3% only do so sometimes. The biggest group, 40%, takes part most of the time, probably because their jobs require them to buy things on a daily basis. The last 23.3% always takes part, which shows that there is a core group that is involved in many parts of talks. The different levels of participation show that the procurement team is adaptable and active, making sure that results are achieved by involving members in a way that fits their roles and responsibilities.

The Kenya Red Cross procurement team gave their opinion on how important negotiation strategies are for a good procurement. 23.33% thought that negotiation tactics were somewhat important, and 16.67% were not sure. 26.67% thought communication skills were important, which shows they really understood how important they were. The biggest group, 33.33%, said that negotiation strategies were very important. This shows that everyone on the team agrees that these strategies are necessary to get good buying results. The different points of view show that the team has a deep understanding of how to negotiate. The buying team for

the Kenya Red Cross is very sure of their negotiation strategies; in fact, 56.67% of those people say they work very well. Most of the team, or 23.33%, thinks their ways of negotiating work, while 16.67% are still not sure. The vast majority of the team (56.67%) is sure that they can successfully negotiate the purchase of goods and services. The team's different views on negotiation show that they have a deep knowledge of how to negotiate. People often use integrative negotiations, which are also called "win-win" negotiations, to get the best result by working together and coming up with creative ideas. This method stresses how important good negotiation skills are for successful procurement talks, but it could be made better..

Most of the people who answered think the Kenya Red Cross procurement team's ethical practices are honest and trustworthy, giving them a high trustworthiness rating. 16.67% of the team doesn't say what they think, which could mean they have mixed views or different levels of trust. But a large majority (83.33%) have a lot of faith in the ethical rules. This means that ethical issues are thought about when people buy things. A big number of people (16.67%) have very high trust, which means they strongly believe in the ethics practices. Understanding the specific factors that build trust could help the team act in an honest way.

5.2 Recommendations

I think that people who work in buying should be taught about ethics in a planned way as part of their training. Adding moral parts to training programmes that are already in place can help people make moral choices. Employees will learn how important it is to be ethical in talks by using real-life case studies. This will make the training more interesting and useful. Along with their daily work, the buying team needs to make sure that they always do the right thing. Professionals who use this way not only become more ethical, but they also help make the workplace a place where being honest and doing the right thing are valued. This gives people who work in buying the skills they need to handle tough situations with a strong sense of what is right and wrong. This keeps the highest levels of responsibility and professionalism.

I also think that the procurement department should encourage an attitude of ongoing learning and development so that professionals have the skills they need to work in a procurement environment that is always changing. It is very important to stay up to date on changes in the law, negotiation strategies, and business trends. Partnering with outside

experts can improve training programmes and encourage a culture of adaptability and innovation. This commitment to always learning will not only help the department's buying efforts succeed, but it will also make the company more competitive overall.

5.3 Conclusion

In conclusion, supplier relationship does have an effect to a procurement negotiation and it makes it successful on the condition being that they have a good long lasting relationship between supplier and organisation.

Furthermore, negotiation strategies do have an influence in successful procurement outcome as having a strategy tends to close a deal more often than not.

Moreover, ethics policy build up trust with both internal and external parties therefore would make negotiations a walk in the park as both parties would trust each other.

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APPENDIX I: INTRODUCTION LETTER

ABDULMALIK IBRAHIM SHEIKH
MANAGEMENT UNIVERSITY OF AFRICA
P.O BOX 29677-00100,
NAIROBI, KENYA.
TEL: +254 20 2361161

Dear Sir/ Madam

**RE: A REQUEST TO CONDUCT A STUDY ON FACTORS INFLUENCING
SUCCESSFUL NEGOTIATIONS IN THE PROCUREMENT PROCESS**

I am a student at the Management University of Africa as a diploma student. One must fulfil the requirement by undertaking a field study concerning emergent concerns within the field of my focus. Therefore, I am requesting your assistance in completing the questionnaire that follows. Your information will be utilised exclusively for academic objectives. If you require any further assistance, please do not hesitate to contact me or the school.

Regards

Abdulmalik Ibrahim Sheikh
DSM/13/00090/1/22
Tell: 0738526414
abdulmalik.ibra20@gmail.com

APPENDIX II: QUESTIONNAIRE

SECTION 1: GENERAL INFORMATION

Please provide the name of your organization.

Comment.....
.....

What is the primary focus or sector of your organization?

Comment.....
.....

What is your role within the organization?

- a. Procurement Officer ☐
- b. Procurement Manager ☐
- c. Procurement Assistant ☐
- d. Procurement Volunteer ☐

How many years of experience do you have in procurement-related roles?

- a. Less than 1 year ☐
- b. 1-5 years ☐
- c. 6-10 years ☐
- d. More than 10 years ☐

SECTION 2: SUPPLIER RELATIONSHIP

How would you describe the current level of collaboration with your key suppliers?

- (1) Very Poor ☐
- (2) Poor ☐
- (3) Neutral ☐
- (4) Good ☐
- (5) Very Good ☐

Can you identify specific benefits or challenges related to your current supplier relationships in the context of procurement negotiations?

Comment.....
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.....
.....
.....

SECTION 3: PROCUREMENT NEGOTIATIONS

How frequently do you engage in procurement negotiations with your suppliers?

- a. Rarely ☐
- b. Occasionally ☐
- c. Frequently ☐
- d. Always ☐

What are the key factors that influence your decision-making during procurement negotiations with suppliers?

Comment.....
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For the most recent procurement transaction you've been involved in, please provide the following cost-related information:

What was the initial cost estimate or budget for the procurement?

What was the final negotiated cost for the procurement?

Comment.....
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SECTION 4: EFFECTIVENESS OF SUPPLIER RELATIONSHIP

To what extent do you believe that a strong supplier relationship positively impacts the success of procurement negotiations?

- | | |
|-----------------------|--------------------------|
| (1) Strongly disagree | ☐ |
| (2) Disagree | ☐ |
| (3) Neutral | ☐ |
| (4) Agree | ☐ |
| (5) Strongly Agree | ☐ |

Can you provide examples or instances where a positive supplier relationship has directly contributed to successful procurement negotiations?

Comment.....
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.....
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.....

SECTION 5: NEGOTIATION STRATEGIES

How would you rate the importance of negotiation strategies in the success of procurement negotiations?

- | | |
|------------------------|--------------------------|
| (1) Not Important | ☐ |
| (2) Slightly Important | ☐ |
| (3) Neutral | ☐ |
| (4) Important | ☐ |
| (5) Very Important | ☐ |

Can you identify and describe the negotiation strategies commonly employed in your organization during procurement negotiations?

Comment.....
.....
.....
.....
.....

How many procurement negotiations have you been involved in during the past year, and of those, how many would you consider successful?

Comment.....
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.....
.....
.....

SECTION 6: EFFECTIVENESS OF NEGOTIATION STRATEGIES

How often do you assess the effectiveness of the negotiation strategies used in procurement negotiations?

- | | |
|-----------------|--------------------------|
| a. Rarely | ☐ |
| b. Occasionally | ☐ |
| c. Frequently | ☐ |
| d. Always | ☐ |

Please rate the effectiveness of the negotiation strategies used in your organization in achieving favourable procurement outcomes.

- | | |
|----------------------|--------------------------|
| (1) Very Ineffective | ☐ |
| (2) Ineffective | ☐ |
| (3) Neutral | ☐ |
| (4) Effective | ☐ |
| (5) Very Effective | ☐ |

SECTION 7: CHALLENGES IN NEGOTIATION STRATEGIES

What challenges, if any, have you encountered in implementing or executing negotiation strategies during procurement negotiations?

Comment.....
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SECTION 8: ETHICAL CONDUCT POLICY IN PROCUREMENT

Does your organization have a documented ethical conduct policy specifically addressing procurement activities?

- a. Yes ☐
- b. No ☐
- c. Not Sure ☐

Please describe the key elements or principles covered in your organization's ethical conduct policy related to procurement negotiations.

Comment.....
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.....

.....

How aware are you of the ethical conduct policy within your organization?

- | | |
|----------------------|--------------------------|
| (1) Not Aware at All | ☐ |
| (2) Slightly Aware | ☐ |
| (3) Moderately Aware | ☐ |
| (4) Very Aware | ☐ |
| (5) Extremely Aware | ☐ |

How well do you understand the implications of the ethical conduct policy on procurement negotiations?

- | | |
|---------------------|--------------------------|
| (1) Not Well at All | ☐ |
| (2) Slightly Well | ☐ |
| (3) Moderately Well | ☐ |
| (4) Very Well | ☐ |
| (5) Extremely Well | ☐ |

To what extent do you believe the ethical conduct policy is implemented in actual procurement negotiations?

- | | |
|----------------------------|--------------------------|
| (1) Not Implemented at All | ☐ |
| (2) Slightly Implemented | ☐ |

- | | |
|----------------------------|--------------------------|
| (3) Moderately Implemented | ☐ |
| (4) Mostly Implemented | ☐ |
| (5) Fully Implemented | ☐ |

Can you provide examples of how the ethical conduct policy has influenced or shaped procurement negotiations in your organization?

Comment.....

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SECTION 9: CHALLENGES AND BENEFITS

What challenges, if any, have you encountered in implementing or adhering to the ethical conduct policy during procurement negotiations?

Comment.....

.....

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.....

In your opinion, what benefits or positive outcomes have resulted from the adherence to the ethical conduct policy in procurement negotiations?

Comment.....

.....

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.....

SECTION 10: TRUST LEVELS

How would you rate the trustworthiness of the procurement process in our organization?

- | | |
|--------------------|--------------------------|
| 1: Very Low Trust | ☐ |
| 2: Low Trust | ☐ |
| 3: Neutral | ☐ |
| 4: High Trust | ☐ |
| 5: Very High Trust | ☐ |

To what extent do you believe that ethical conduct is prioritized in procurement negotiations?

- | | |
|----------------------------|--------------------------|
| 1: Not Prioritized at All | ☐ |
| 2: Slightly Prioritized | ☐ |
| 3: Moderately Prioritized | ☐ |
| 4: Highly Prioritized | ☐ |
| 5: Very Highly Prioritized | ☐ |