

**THE EFFECT OF PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT  
2015 ON THE RELATIONSHIP BETWEEN PROCUREMENT PLANNING  
PRACTICES AND SERVICE DELIVERY IN KENYA STATE OWNED  
CORPORATIONS IN THE ROAD SECTOR**

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REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF  
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## **DECLARATION**

This research project is my original work and has not been presented for a degree in any other University. No part of this research project should be reproduced without authority from the author or/ University of Nairobi.

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**D61/80811/2015**

I confirm that the work in this research project was done by the candidate under my supervision as the appointed University Supervisor

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## **DEDICATION**

I dedicate this research project to my Almighty God for his protection, direction and guidance through the course. Many thanks to my lovely wife, Evalyn and my wonderful children, Aurelia and Brannon for their selfless support, bearing with my perpetual absence and for the understanding all through the period I have been pursuing this course. I love you both with all my heart and you are the inspiration for everything I do. A special feeling of gratitude to my loving mum, Mama Queen whose words of encouragement and push for tenacity ring in my ears. My brother Eric, my sisters Faith and Vivian have never left my side and are very special; your kind words and prayers pushed me through. I also dedicate this dissertation to my many friends and family by extension who have supported me throughout the process. I will always appreciate all they have done, both of you have been my best cheerleaders.

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## **ABBREVIATIONS AND ACRONYMS**

<b>GoK</b>	Government of Kenya
<b>KeNHA</b>	Kenya National Highways Authority
<b>KeRRA</b>	Kenya Rural Roads Authority
<b>KURA</b>	Kenya Urban Roads Authority
<b>PPAD</b>	Public Procurement and Asset Disposal Act
<b>SPSS</b>	Statistical Package of Social Sciences

## **ABSTRACT**

Public organizations and more especially State owned Corporation in the Public road transport sector in Kenya are experiencing quite a number of challenges during implementation of Public Procurement and Asset Disposal Act. By extension, inconsistencies in service delivery has been attributed to ineffective of procurement plans. The study sought to establish the influence of public procurement and asset disposal act regulations on the relationship between procurement planning practices and service delivery in Kenya State owned Corporations in the road sector. The study adopted descriptive research design. The study adopted the census approach where all employees selected from the procurement department of the three State Corporation operating in the public road transport sector were involved. Structured questionnaires with open and closed questions were utilized. Data was analysed using quantitative and qualitative methods. Content analysis method was used to analyse qualitative data while quantitative data was analyzed using regression analysis method that provided the opportunity of test the statistical relationship between variables of the study. The study established that there was a statistical relationship between procurement planning practices (procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation) and service delivery among State owned Corporation in the Public road transport sector in Kenya at 5% significance level and 95% confidence level. The study concludes that unless top management of State owned Corporation in the Public road transport sector in Kenya are willing to develop and implement procurement plans, realization or conformity with PPAD Act regulation would be a challenging task thus poor service delivery. The recommends that top management of State owned Corporations in the Public road transport sector in Kenya should seek automate procurement systems, train employees on procurement ethics and review internal code of ethics to regulate the conduct of workers thus discouraging them from indulging in activities that are contrary to PPAD regulations.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background to the Study

Procurement concept has continued to evolve at a faster rate due to changing nature of the procurement world (Mcloughlin & Batley, 2012). Compliance to procurement Acts has remained to be a routine practice of small and well established firms from developed and developing countries of the world. Companies that do not observe regulations of procurement Acts in any countries are likely to experience procurement planning setbacks that contribute to deteriorating performance of firms in terms of efficiency and effectiveness, return on investment, profits generated, employee motivation, diversification, product development and maintenance of service standards Mamiro, (2010).

Theories that will be adopted to inform this study are: Logistic Theory, Theory of Constraints and Lean Theory. They will be used to inform this study. The concepts of the theories form the foundation of this study with regard to public procurement and asset disposal Act and service delivery. Organizations both in developed and developing countries aim to achieve their goals through sustainable procurement practices that include quality service delivery, supplier partnerships and new product development.

The purchasing profession to have continued to recognize advancement of technologies and procurement regulations (Peters *et al*, 2010). Mahmood (2010) argues that firms that observe public procurement regulations are more likely to be more efficient and effective in service delivery to various stakeholders of an enterprise. Further, compliance to procurement by any private or public institutions has significantly contributed to improved stakeholder experience or service delivery (Preuss, 2009).

Scott (2014) suggests that competitive organizations in the changing business environment around the world ranging from developed countries like Japan, German, and United States of America among others have shifted from traditional procurement practices to modern procurement models with an aim of enhancing efficiency and effectiveness. By extension, this study will focus on State owned Corporation operating in the public road sector in Kenya to establish the relationship between procurement planning practices and service delivery.

### **1.1.1 Procurement Planning Practices**

According to Mcloughlin and Batley (2012) regard procurement planning as a systematic process companies adopt during the purchase of goods and service thus enhanced budgeting process. It reflects annual amount of money required to hire workers and cater for general activities performed within a given period of time. Economic commission of Africa (2003) ascertains that procurement planning entails the purchasing process that comprise of buying and disposing goods and services. Furthermore, it describes the process and frameworks organizations use to source for suppliers.

It further argues that items needed should be defined, outline the process and schedule timeframes for delivery. On the other hand, procurement is observed to be a systematic approach purchasing goods under strict adherence to procurement guidelines. PPDA Act (2003) ascertains that it is a process by which private and public organization engage in during the procurement of goods and services. It entails leases, licensing, franchising, and signing of contracts by third parties. Effective procurement policies among private and public institutions have significantly contributed to operational efficiency and effectiveness thus improved service delivery (Mcloughlin & Batley, 2012).

Maurice (2014) on the other hand suggests that procurement planning is a process of analysing and determining the needs of a particular firm at a given period of time and organizing for the required resources in order to meet the expectations in a more efficient and effective manner. Peters (2010) ascertains procurement planning is one of the most important component in any competitive firm that operate in the changing business environment. He argues that, it is one of the functions that enhances stakeholder service delivery in large or small organizations.

### **1.1.2 The Service Delivery**

The concept of service delivery has remained an evolving ideology due to the changing nature of consumer needs and wants. A number of scholars like Scott (2014) argue that service delivery in the private and public service sector is perceived differently. Despite the continuous debates from various scholars, majority of the scholars have tried to reach at a common consensus on the meaning of service delivery.

Improving supply chain activities for the benefit of the consumer is the core objective of an effective procurement planning. Flavián and Guinalú (2015) ascertain that quality of services in any organization or systems is determined by a number of factors that range from employee culture, organization policies and stakeholder involvement in the service model. Kotler and Keller (2012) suggest that service quality is a multi-dimensional facet that comprise of psychological aspects of the consumer. They contend that organizations dedicated to service delivery are always keen on developing policies that enhance customer experience, develop new products and enhance relationships through stakeholder engagement and investment in consumer research.

Maurice (2014) avers that firms are experiencing challenges in today's dynamic business environment due to issues of competition and changes in the procurement regulations. The competitiveness of the global business environment is determined by synergies in the procurement discipline, development of new products and services and redesigning of the supply chain activities thus enhanced customer service delivery. Service delivery models of competitive firms always addresses service gaps and changes in the procurement regulation thus standardization of services. In addition, it always seeks to enhance operational efficiency and overall management of business activities (Nyaboke, 2016).

### **1.1.3 Public Procurement and Asset Disposal Act (2015) Laws of Kenya**

Since independence, the concept of public procurement has continued to evolve in the Kenyan context based on changes in regulation, stakeholder demands and organizational management frameworks (PPAD, 2015). Developments which have been witnessed across various state ministries though new regulations enacted by parliament. Due to high level of mismanagement of public funds and corruption, tremendous changes have taken place in Kenya intended to increase public confidence on expenditure of state resources. It is through these challenges the Public Procurement and Disposal Act, 2015 (PPDA, 2015) came into force and replaced PPDA 2005.

The PPDA, 2015 guidelines are adopted by state owned corporations and generally provide provisions that guide the process of inventory management, asset management, contract performance and disposal of assets. The initiatives of the PPAD 2015 involve two-stage tendering, design competition, electronic reverse auction; force account, competitive negotiations and framework agreements (Transparency International, 2015).

PPOA (2016) clearly articulates that PPAD Act is purely enacted by provisions of Parliament which are described under Article 227. It spells out guidelines of sourcing goods and services for public entities. Furthermore, Mcloughlin and Batley (2012) argue that Public Procurement and Asset Disposal Act describes ethical values that are supposed to be observed by procurement professionals in the Public sector and clearly states the manner in which suppliers need to conduct their activities to secure public tenders. Regulations that are articulated in the PPAD are strictly adhered to by any party in the procurement contract with the intention of controlling public funds. Reporting frameworks are articulated in the Act to help various stakeholders to make appropriate decisions during the procurement process.

#### **1.1.4 Kenya State Owned Corporations in the Road Sector**

State owned Corporations that are established by the Acts of parliament and mandated to oversee activities Kenyan Public Roads are: Kenya Rural Roads Authority, Kenya Urban Roads Authority and Kenya National Highways Authority. According to the Ministry of Transport Report (2015), the Kenya Rural Roads Authority (KeRRA) is mandated to provide overall guidelines in the construction of roads, maintenance and periodical management thus enhanced social economic development. It is an institution that clearly focuses on ensuring that the Kenyan rural road networks are managed and maintained as per the guidelines of modern engineering principles.

Kenya Urban Roads Authority (KURA) on the other hand is State owned Corporation that is mandated to manage, develop and rehabilitate all public roads in the Kenyan cities and municipalities excluding National roads. It is an organization that maintain the standards of the roads networks in the urban set ups thus enhanced stakeholder satisfaction.

In conjunction with County Governments, the institution is entitled periodical accountability in the management and maintenance of roads. Finally, the Kenya National Highways Authority (KeNHA) is authorized with the responsibility of managing, developing, rehabilitating and conducting periodical maintenance of National roads in Kenya.

Kenya National Highways Authority (KeNHA) is given the overall responsibility of constructing Kenyan roads as per the guidelines stipulated in Acts of parliament. In addition, it is authorized to upgrade, rehabilitate and maintain all categories of Kenyan road networks ranging from class A, B and C. Further, it is the responsibility of the organization to implement policies that are relevant general improvement of Kenyan roads and strict adherence to rules and regulations of the Traffic Act. In addition, it ensures that the quality of work performed meets the standards set out by the Ministry of Transport in Kenya for efficient procurement planning.

## **1.2 Research Problem**

According to Mcloughlin and Batley (2012), public procurement has become one of the competitive practices that always need effective procurement plans. Procurement and disposal of tangible assets by public institutions has continued to be a key challenge in developing countries and more especially in Kenya. Wastage and misappropriation of state resources due to weaknesses in the procurement process has become a concern of the general public, ministry of finance, suppliers and related procurement agencies (Public Procurement and Oversight Authority, 2016).



According to a survey conducted by Mong'are & Mwangangi (2016) and Kendo & Getuno (2016) revealed that despite the review of Public Procurement and Asset Disposal Act of 2005, majority (74%) of the State owned Corporations and more especially the road sector corporations have continued to experience deteriorating performance in delivery of services to various stakeholders.

Nyaboke (2016) also concurs that inefficiencies and deficiencies are experienced by State owned corporations within the road sector in Kenya due to issues of procurement planning and non-compliance to Public Procurement and Asset Disposal Act of 2007. However, it is noted that findings of the empirical studies were confined to different variables like e-procurement, operational performance, procurement strategies and PPAD policies but failed to address the issues of this study.

Limited studies that have been carried out internationally and locally have not paid full attention to address these issues to fill the information gaps in this area. It is noted that conceptual, contextual and methodological gaps are evident of existing empirical studies. For instance, international studies which have been conducted by Tumugabiirwe (2014) & Mdemu (2013) was limited to different variables like policies, technology and supplier integration.

On the other hand, it was noted that the study was confined to Uganda and Tanzania. A study Njogu and Gichinga (2016) was limited corporate governance but at Kenya Ports Authority but failed to address State Corporation in the road sector in Kenya. In addition, a study by Maina and Omboto (2015) was confined to different variables like procurement strategies, top leadership and technology in Public Universities in Mombasa County but failed to address issues of this study.

However, due to the contextual gaps, this study will seek to focus on State owned Corporations in the road sector in Kenya. In addition, it is noted that some of the previous empirical studies conducted adopted different methodological techniques.

For instance, it was noted that a study by Maurice (2014) adopted exploratory research design and factor analysis method; a study by Mong'are & Mwangangi (2016) adopted purposive sampling technique and linear regression method. Furthermore, it was noted that the study used both interview schedules and closed ended questionnaires to collect data. In addition, Njogu & Gichinga (2016) adopted longitudinal data analysis method and cluster data analysis method but failed to adopt descriptive and multiple regressions of this study. Despite the importance of PPAD Act of 2015 in Kenya, it is noted that very limited scientific research have been done to answer the question; 'What is the effect of PPAD Act (2015) on the relationship between procurement planning practices and service delivery in Kenyan state owned corporations within the public road sector?'

### **1.3 Research Objectives**

To determine the influence of public procurement and asset disposal act regulations on the relationship between procurement planning practices and service delivery in Kenya State owned Corporations in the road sector.

### **1.4 Value of the Study**

The findings of the study would help State owned corporation in the road sector in Kenya to formulate policies that would enhance efficiency and effectiveness of procurement planning and service delivery. It would provide useful information to other ministries on how to spend public funds and to minimize issues that affect procurement plan and service delivery.

The management of State owned Corporations in Kenya would use the information to make strategic decisions with regard to procurement thus enhanced stakeholder confidence ranging from general public and suppliers. The general public would benefit from the findings of this study through enhanced service delivery. In addition, employees of the State Corporation would have an in-depth understanding of the PPAD Act of 2015 and identify new measures of implementing new initiatives for the benefit of the general public. Furthermore, the findings of this study would help to build knowledge base that would help scientific researchers and professionals to develop new frameworks of conducting related studies.

Content theorists would find this study beneficial as it would provide essential information that would enable them develop new or improve concepts of the already existing theories. Due to changes in the business environment and changing trends in the procurement field, the findings of this study would unfold new information that would contribute value addition to already existing theories in the procurement field. Therefore, it can be summarized that adherence to regulations of PPDA (2015) would promote enhanced performance of State owned Corporations in the road transport sector.

It can be summarized that chapter one covers procurement planning practices, the service delivery, public procurement and Asset Disposal Act (2015) Laws of Kenya, Kenya State Owned Corporations in the road sector, research problem, research objectives, and value of the study. Subsequently, chapter two presents, theoretical foundation of the study, empirical and literature review and finally conceptual framework.

## **CHAPTER TWO: LITERATURE REVIEW**

This chapter outlines theoretical foundation of the study which describes theories that will be used to inform the study. Related theories are discussed with reference to variables of the study. Key concepts of the existing theories are used to make deductive arguments about the study. Despite the shortcoming of the theories, variables of the study are discussed based on the key philosophies of the theories.

Secondly, empirical studies are discussed into detail pointing out the findings which may be contradicting or corresponding with arguments of the study. In-depth interrogation of the studies is discussed with reference to variables, theories, methodologies. Each study is critically discussed in relation to conceptual, contextual and methodological gaps. By extension, studies that correspond and contradict are identified.

Thirdly, knowledge gaps of the previous empirical studies are described. From the findings of previous empirical studies, conceptual, contextual and methodological gaps are discussed thus giving a clear justification of this study. Finally, the conceptual framework that reflects the interrelationship between variables of the study is discussed.

### **2.1 Theoretical Foundation**

Logistic Theory, Theory of Constraints and Lean Theory were used to inform this study. Based on the concepts of these theories, the study will be in a position to establish the effect of public procurement and asset disposal act on the relationship between procurement planning practices and service delivery.

### **2.1.1 Logistic Theory**

Thai (2011) argues that Logistics Theory is based on the ideology that firms can control distribution of goods and services from the point of production to the point of consumption. Furthermore, it argues that firms can develop procurement frameworks that can promote reverse logistics thus minimal wastage. The principles of the theory are established on the foundation of supply chain stakeholder satisfaction (Mahmood, 2010). It advocates that firms should always seek to surpass customer service delivery by identifying approaches of minimizing costs and maximizing profits through improvement of supply chain activities.

The fundamental objective of the theory is based on the ideology of purchasing the right quantity and quality of goods at the right time, place and form (Scott, 2014). Preuss (2009) ascertains that organizations should emphasize on integrating technology in the supply chain activities in order to achieve efficiency and effectiveness. The logistical systems should be designed in such a manner that can enhance operational efficiency and enhance speed of transporting goods and services from the point of production to the point of consumption. The credibility of any effective logistical system is determined on how organization can meet stakeholder expectation without logistical delays (Peters *et al*, 2010). Mdemu (2013) on the other hand observe that an effective logistical system is dependent on formulating, implementing and evaluating procurement strategies based on the set objectives.

Maurice (2014) avers that effective logistic system is measured based on how firms coordinate transportation activities, manage stock, handle materials, make orders and fulfill orders with an objective of meeting stakeholder expectations. The study further argues that the extent to which an organization can plan, schedule its activities and meet customer expectation is the core objective of effective procurement practice (McLoughlin & Batley, 2012). Furthermore, Thai (2011) argues that organizations are likely to enhance their service delivery to various stakeholders if they develop procurement plans and adhere to PPAD regulations from the start to the end of the procurement process.

### **2.1.2 Theory of Constraints**

The theory was established by Goldratt (1984). It is based on the management philosophy that emphasize on increasing manufacturing efficiency through minimizing internal and external constraints (Mamiro, 2010). Mahmood (2010) further suggests that the theory is founded on the philosophy that regards managers to be watchdogs of inventory decisions. It is argued that inventory managers to excel, system constraints must be minimized using scientific techniques.

A number of constraints that affect inventory decisions in most organizations can be: non-fulfilment of orders, inability to adapt to changes, lack of resources and employees resistance. Kendo and Getuno (2016) postulate that strategic inventory management can result to minimizing constraints like reduction of waste and enhance order fulfilment. Further, they argue that maximization of profits and minimization of overall costs of production is the key objective of effective procurement planning.

Mahmood (2010) argues that application of scientific models like Economic Order Quantity will lead to reduced inventory levels, lead time and improved productivity of the entire system. Elimination of non-adding value activities from the supply chain will contribute to enhanced service delivery.

Mcloughlin and Batley (2012) advocates that organizations are likely to minimize challenges associated with procurement processes if through identification of internal needs, preparation of specifications of the goods to be procured, advertisement for goods and services, receiving quotations from interested bidders, award of tenders, delivery and evaluation of the procurement process are k addresses. Flavián and Guinalú (2015) suggest that despite the fact that public organizations have PPAD Act, ethical values among procurement officers is key in any successful system.

### **2.1.3 Lean Theory**

Lean Theory was founded by Womack (1996) and its origin can be traced in the Japanese manufacturing sector (Flavián & Guinalú, 2015). The concepts of the theory were first applied by Toyota company in 1950s. According to the theory, organizations are likely to compete if they produce more with less. Zero tolerance to wastage is the fundamental objective of any competitive firm (Chepkoech, 2013). Since 1950s, majority of the companies have continued to adopt lean practices to gain competitive edge in the local and global markets.

With the penetration of the lean concepts in organizations, majority of the processes have been integrated with technology to minimize costs of production. For inventory systems to be effective, lesser resources should be injected in the system, ranging from human resources, factory space and equipment (Mahmood, 2010).

Lean thinking philosophy emphasize that firms should establish mechanisms minimizing defects from the production process and promote greater synergy manufacturing processes (McLoughlin & Batley, 2012). Principles of lean thinking theory as proposed by Preuss (2009) are: identification of non-value adding activities, emphasize on value adding activities, linkage of value-adding activities to deliver total customer experience and continuous improvement. Scott (2014) asserts that lean principles are likely to help organizations to diversify, improve ordering decisions, eliminate unnecessary costs, enhance order fulfillment and eliminate non-value adding activities from the supply chain.

Kendo and Getuno (2016) postulates that firms are likely to be competitive if they utilize the scarce resources they have to maximize productivity. Flavián and Guinalú (2015) avers that lean procurement principles emphasize on employee training, continuous improvement of the system, research and development, team work and reverse logistics. Cost minimization and profit maximization philosophy among State owned Corporations in the road sector will be enhanced through supplier integration, automation the supply chain activities and automation of internal business process.

## **2.2 Procurement Planning Practices and Service Delivery**

Thai (2011) argues that the concept of procurement planning practices in the public service and more especially in developing countries like Kenya among others has not to advance to the expected level. With the dynamic nature of the purchasing profession, rarely managers recognize procurement planning practices within the organizational context.



Tumugabiirwe (2014) observes that with inconsistencies in the procurement procedures more so in the public service sector in developing countries, multiple stakeholders are likely to experience inconsistencies during service delivery. Due to lack of appropriate internal procurement policies, top management support and organizational goodwill to implement new procurement policies, organizational competitiveness cannot be achieved. Public Procurement Oversight Authority (2006) revealed that over the past decade, developing countries around the world have continued to recognize new developments in the procurement discipline ranging from the review of public procurement and asset disposal Act, development of new procurement policies and integrating technology in the procurement systems as a an initiative of satisfying stakeholder in a better way.

Mdemu (2013) revealed that with increased competition, influence of technology, change of customer needs, employee diversity, change of labour laws and costs of operation, both the private and public sector institutions have recognized the need to align their supply chain activities with modern procurement planning practices (Peters *et al*, 2010). Compliance of the public sector with public procurement planning practices in the changing business environment is determined by the current public procurement and asset disposal Act developed by the Acts of parliament of any independent country (Maurice, 2014). It is observed that the concept of procurement was traditionally viewed as function that comprised of a clerical and reactive task compared to proactive measures taken by modern institutions to address diverse stakeholder needs (McLoughlin & Batley, 2012).

Mamiro (2010) established that many organizations are experiencing deteriorating performance due to inappropriate procurement policies that are established to manage public resources. An efficient public procurement system has remained the cornerstone of economic development in developing countries. Furthermore, Chepkoech (2013) noted the development of new public procurement philosophies in the functioning of the public sector has been gradually embraced by government in a number of African Countries and more especially in Kenya.

By extension, it is noted that in Kenya as a country there has been tremendous developments in the public sector since late 1990s. With the increased demand of enhancing public services and provision of value for public expenditure, the ideology of procurement planning has gradually received wide recognition in state owned corporations and donor partners (Mahmood, 2010).

Njogu and Gichinga (2016) revealed that efficiency in public expenditure is dependent on the ability of the organization to develop and implement procurement strategies. Furthermore, provisions of PPDA 2015 have made procurement planning mandatory and minimized internal challenges. With the new Constitutions in Kenya, it is observed that procurement plans should be based on annual budget guidelines. The annual procurement planning is an integral part of the budget processes that reflects budgetary frameworks. The study further revealed that on State owned institutions have continued to experience a number of challenges that include; corruption among officers, non-adherence to PPDA guidelines was a challenge in most developing countries and more especially in Kenya.

Telgen (2011) observed that initiation of procurement reforms in Kenya was due to challenges of enactment of the PPDA Act, 2005 which was later reviewed in 2015 to address diverse needs of stakeholder. According to the PPDA (2015), it is observed that procurement strategies formulated by State entities are not implemented due to structural challenges. It was noted that State owned entities had centralized structures compared to private firms with decentralized structures that enhanced efficiency and effectiveness.

Kendo and Getuno (2016) concur that new procurement framework has resulted to efficiency, fairness, transparency, non-discrimination, integrity among procurement professional, transparency and accountability and confidence within public sector in Kenya. The study concluded that PPDA has tremendously enhanced operational performance among State owned parastatals in Kenya. In addition, it has led to improved services and goods and ethical standards among Parastatals in procurement.

According to Public Procurement Oversight Authority (2016), a number of measures have been proposed to mitigate challenges of implementing public procurement and Asset Disposal Act rotates around the activities of the procurement process. Identification of requirement, formulation of procurement plans, determination of the sources of supply, evaluation of vendors, award of tenders, contract implementation, storage, payment and disposal are all issues that enhance competitiveness of State owned Corporations. Further, review of procurement regulation, staff awareness on ethical values and development of procurement budgets are issues that promote efficiency and effectiveness in the procurement process.

Onyango (2014) established that integration of procurement plans with budgets was one of the factors that contributed to organizational performance. Mamiro (2010) concur that effective procurement planning in any competitive organization was promoted by supplier integration, technology integration in the system, leadership support and review or procurement policies.

Mcloughlin and Batley (2012) established that service gaps witnessed among State owned Cooperation was associated by lack or technological support in the procurement process and inappropriate procurement strategies formulated. It was noted that customers who sought public services were dissatisfied compared to customers who sought services from private firms. Successful service delivery works on the basis that the customer is a part of the creation and delivery of the service and then designs processes built on that philosophy (Dusei& Awunyo, 2015).

According to National Service Delivery Survey (2015), it was established that the Government was the sole provider of public services as stipulated in the Constitution of Kenya. It is the right of the Kenyan citizens to access quality from Government institutions without favour. It is recommendable for public institutions to put in place mechanisms that can enable them measure the extent to which stakeholders are satisfied with services provided. Therefore, strengthening service in the public service has remained to be the key driver of any procurement process and especially in Kenya to achieve vision 2030 initiatives.

Njogu and Gichinga (2016) aver procurement has remained to be a sensitive area that consumes public money, compliance to PPAD regulations and procurement planning would help to address the loopholes in the public sector and control state funds and any other misappropriated through procurement.

Chepkoech (2013) postulates that despite the lack of transparency in procurement plans in state owned corporations in developing countries and more especially in Kenya, compliance to newly developed Public Procurement and Asset Disposal Act will significantly contribute to enhance delivery of services to various stakeholders (Ministry of Public Service, 2016). Maurice (2014) indicated that inconsistencies in service delivery among State owned corporations have continued to be a major challenge. Issues of implementing procurement plans, anticipation of changing procurement trends, influence of technology and competition have still continued to remain a dilemma to State owned corporations in the operating in the road sector in Kenya (Gikonyo, 2014).

### **2.3 Knowledge Gaps**

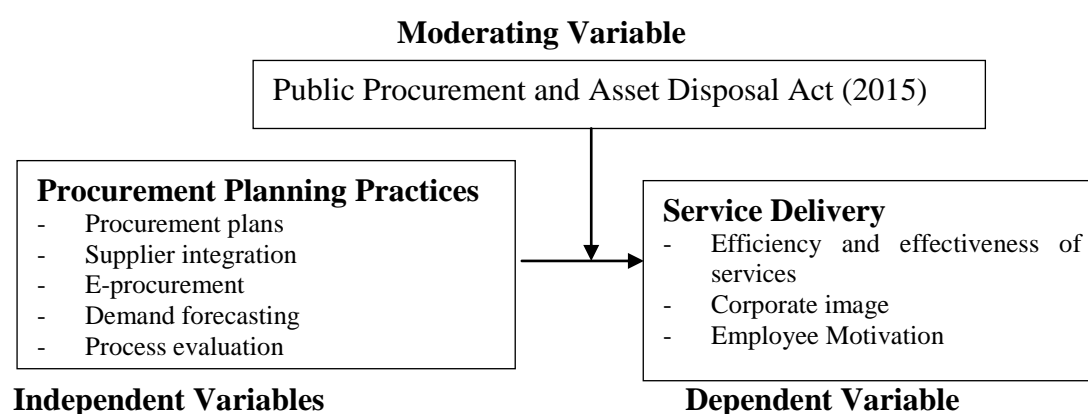
Based on the findings of the empirical studies conducted locally and internationally, it was observed that little has been with regard to the effect of public procurement and asset disposal act on the relationship between procurement planning practices and service delivery in Kenya state owned corporations in the road sector. Conceptual, contextual and methodological gaps are observed. For instance, a study by Gikonyo (2014) focused on Saccos in Kenya.

A study by Adusei and Awunyo (2015) was confined to Implementation Challenges of the Public Procurement Act among firms in Ghana; Chepkoech, (2013) was limited to procurement planning and service delivery in State Corporation in Kenya. By extension, studies conducted by Kendo and Getuno(2016) was confined to tendering process in Public Corporations in Kenya; Mong'are & Mwangangi (2016) was confined to Kenya Police service; Njogu&Gichinga (2016) was limited to Kenya Ports Authority Adusei, & Awunyo (2015) was confined to firms in Ghana

Flavián and Guinalfú (2015) focused on customer perception and attitudes in the security sector in the Dubai and Mahmood (2010) focused on PPAD and its influence on the performance of firms in India. However, it was concluded from the findings of the empirical studies that, some studies carried out focused on different variables ranging from financial performance, technology, supplier integration and procurement regulations but failed to focus on the variables of this study. On the other hand, some studies conducted focused on different countries like India, Dubai, Turkey, United States, Nigeria and Uganda which cannot be compared with studies in the Kenya context.

Thirdly, some studies adopted different research designs like longitudinal, sampling methods, data analysis methods such as cluster analysis, discriminant analysis, and factor analysis but failed to adopt regression analysis. It is on this premise the researcher identified this area as deserving attention since none of the studies highlighted addressed the issues in this areas. Therefore, it can be summarized that State owned Corporation in the operating in the road sector in Kenya should strictly adhere to regulations of PPDA (2015) in order to perform effectively.

## 2.4 Conceptual Framework



**Source:** Author (2017)

**Figure 2.1: Conceptual Framework**

As illustrated in Figure 2.1, it is was established that procurement practices such as plans, supplier integration, electronic procurement, demand forecasting and process evaluation influenced service delivery in public institutions. Further, it was revealed that public institutions enhanced their efficiency, effectiveness, corporate image and employee motivation by adopting procurement practices.

Despite the internal and external challenges of adopting procurement practices, it was pointed out that public institutions always strived to adopt the practices as a measure of improving efficiency and effectiveness of service delivery. Observation of PPAD (2015) regulation contributed to efficiency of State owned Corporation in the road sector.

However, it was noted that non-compliance to PPDA regulations by State owned Corporation operating in the road sector in Kenya contributed to high costs of operation, poor corporate image and declined employee morale. In addition, for public institutions to perform in a more efficient and effective manner, adherence to PPAD (2015) is key in strategic procurement planning process. This chapter presents theoretical foundation, procurement planning practices and service delivery and conceptual framework of the study. Subsequently, chapter three discusses the overall research methodology adopted by the study.

### **CHAPTER THREE: RESEARCH METHODOLOGY**

This chapter discusses key aspects that guided the entire process of analysing data. The key areas described include: the research design that was adopted to investigate the problem. Descriptive research design was preferred in this study based on the fact that the study sought to collect views, opinions and ideas of the respondents concerning the problem under investigation without manipulation. Respondent information was collected and analysed with reference to existing theories discussed in the study.

The target population of the study included all employees selected from the procurement department of the three State Corporation operating in the road sector. A census approach was considered appropriate since it provided the opportunity to collect information from every individual of the three organizations thus enhanced accuracy of data analysis concerning the problem under investigation. Questionnaires were utilized as instruments of data collection. Both open and closed questions will be used to.

Drop and pick later method was employed to collect data from respondents who did not have time to fill the questionnaires during working hours. The method was preferred based on the fact that respondents had adequate time to brainstorm and answer the questions more accurately and independently. Data was analysed using quantitative and qualitative methods. Content analysis method was used to analyse qualitative data while quantitative data was analyzed using regression analysis method that provided the opportunity of test the statistical relationship between variables of the study.



### **3.1 Research Design**

The study adopted a descriptive research design to investigate the problem. It is considered to be suitable because it provides the opportunity of establishing the interrelationship between variables in their natural setting without manipulating them (Novikov & Novikov, 2013). According to Krishnaswami (2003), the research design is described as a framework used to explore new knowledge in a given area. Further, the study used qualitative and quantitative data.

Furthermore, Cooper and Schindler (2006) regard a research design as a plan of systematic collection, analysis and interpretation of data for strategic decision making. On the other hand, Cooper and Schindler (2006) suggest that it comprehensive approach or guideline of collecting data to solve a particular problem under investigation. It is intended to seek facts about a problem in a given context to determine ways of minimizing the felt difficulties in a given area. They argue that collection of data should be done within the scientific frameworks and approaches for objectivity principle.

Lewis and Thornhill (2012) aver descriptive design is a framework that spells out the overall methodology of conducting a study. It describes the targets population, sample and sampling design, instruments of data collection, procedure of collecting data, criteria of testing validity and reliability and data analysis and presentation. They argue that the major descriptive research design provides an opportunity of testing the statistical relationship between variables of the study and also gives the ability to collect information and record it without manipulations. They further argue that the concepts of the variables of the study should be based on the deductive arguments of existing theories.

### **3.2 Population of the Study**

Novikov and Novikov (2013) argue that a population is regarded as the total number of elements, objects or units that display common features and can be used to investigate a particular problem under investigation. Additionally, Kombo and Tromp (2006) concur that it is a set of items that may be sampled to make conclusion about a specific problem under investigation. Further, they argue that a population is a set of elements that can be used to collect, analyse and interpret information for strategic decision making.

The study adopted a census approach where information was collected from all employees working in the Procurement Department of the three State owned corporations (Kenya Rural Roads Authority, Kenya Urban Roads Authority and Kenya National Highways Authority). The unit of analysis were State owned corporations operating in the road sector while unit of observation were employees working in the procurement of the three State Corporations operating the road sector.

According to Collis and Hussey (2014), a census is chronological process of obtaining and recording information about the members of a given population. Information from every member of the population was sought to establish the problem under investigation. A census was preferred because employees working in the procurement departments of the three organizations were limited in number. Accuracy of information collected was enhanced by using a census approach.

### **3.3 Data Collection**

Before data collection, the researcher sought permission from the University of Nairobi. Secondly, management of the three State owned Corporations in the public road transport sector (Kenya Rural Roads Authority, Kenya Urban Roads Authority and Kenya National Highways Authority) and National Commission for Science, Technology and Innovation before collecting data.

Primary data was collected using questionnaires as the main instruments while secondary data was obtained from published materials like customer orders and inventory records. Questionnaires were preferred in this study because they helped to eliminate subjectivity of the researcher with regard to the problem under investigation. It also gave respondents sufficient time on items that required consultation before responding (Kothari, 2004).

Furthermore, the questionnaire was divided into three sections which included; procurement planning practice and service delivery, procurement planning practice and service delivery, challenges of implementing public procurement and asset disposal act and service delivery and mitigate challenges experienced by Kenya state owned corporations in the road sector when implementing PPAD act 2015.

### **3.4 Data Analysis**

Novikov and Novikov (2013) argue that data analysis is a systematic process that comprise of aspects of editing, coding, classifying information before the analysis process. Borg and Gall (2003) concurs that it entails categorizing data based on the objectives of the study and summarizing it to provide answers on the research questions. For instance, first order condition was conducted where data was analyzed descriptively

using descriptive statistics such as percentages, means and standard deviation. Second order condition was conducted where diagnostic tests such as normality, linearity homogeneity and multicollinearity were conducted before conducting correlation and regression analysis.

Correlation and regression analysis was conducted to establish the statistical relationship between variables of the study. Independent variables of the study were correlated and regressed against the dependent variable to establish the correlation and regression effect between the variables. Conclusion and recommendations concerning the relationship between the independent variables and dependent variable was determined based on the significance value of 5% and 95% confidence level.

Thirdly, the analysed data was presented in form of tables for easier interpretation by various stakeholders of the study ranging from employees, the Government, scholars and researchers. Data was interpreted in a manner that facilitated comprehensive understanding of the problem thus improved policy formulation, decisions and theories in the procurement discipline.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS**

This chapter discusses findings of the study as per the objectives formulated. The response rates after administration of questionnaires is illustrated using percentages for to indicate the number of respondents who participated and those did not. Demographic characteristics of the respondents are discussed ranging from; age of respondents, gender, education level and duration of work.

To determine the objectives of the study, findings about the extent to which State owned Corporations in the public road transport sector complied to Public Procurement Act regulations of 2015 is depicted. Further, to determine the extent to which procurement planning practices influenced service delivery, challenges of implementing Public Procurement and Asset Disposal Act and mitigating the challenges, descriptive statistics such as means scores, standard deviations were used. By extension, to establish whether, there existed a relationship between antecedents of the variables with that of the dependent variables; t-test analysis was conducted to determine the strength of the relationship between the independent and dependent variables using p-values.

Further, prior to conducting regression analysis, diagnostic tests such as normality, linearity, homogeneity and multicollinearity tested. However, after conducting the tests, it was established that all the variables conformed to statistical assumptions and were ideal to be used in the study. Correlations analysis and linear regression was conducted to test the effect between the consolidated variables of procurement planning practices (Procurement Plans, Supplier Integration, E-procurement, Demand Forecasting and Process Evaluation) and service quality among State owned Corporations in the Public

Road Transport Sector in Kenya. Therefore, it was revealed that there was a positive correlations between variables of the study.

#### **4.1 Response Rates**

The study targeted a total of 36 employees selected from the procurement department of the three State owned Corporation in the public road transport sector in Kenya (Kenya Rural Roads Authority, Urban Roads Authority and Kenya National Highways Authority). The respondents included procurement directors, managers and officers.

After questionnaire administration, only 31 questionnaires were returned duly filled. This contributed to 86% response rate. This response rate was adequate for data analysis and conforms to Guest (2012) who posits that a response rate of more than 50% is adequate for analysis and reporting.

The high response rate was facilitated by frequent follow- ups through phone calls to ensure that respondents gave the intended information and in any case clarity was made on contradicting issues to respondents. Assurance of privacy and confidentiality of the information given was assured to respondents thus high spirit of cooperation.

#### **4.2 Demographic Characteristics**

The study sought to obtain information of respondents based on their ages in order to determine whether employment opportunities were given to both young, middle and old aged people. After analysis, it was revealed that majority of the State owned Corporations in the Public Road Transport Sector in Kenya comprised of workers who were are middle aged as depicted in Table 4.1.

Further, it was revealed that State owned Corporations in the Public Road Transport Sector in Kenya of a small percentage of young people. However, it is indicated that

young employees were recruited into the Corporations at entry level with a diploma or degree qualification.

Even though employment opportunities were provided by State Corporations, it was noted that due to high unemployment rates in Kenya, it took time for younger employees to be recruited. Engagement of employees on contractual terms was received with mixed reactions from different spheres of the industry.

#### **4.2.1 Age of Respondents**

The study sought to determine the age of respondents among the three State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.1:

**Table 4.1: Age of Respondents**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>
20-29 years	06	19
30-39 years	10	32
40-49 years	11	35
50 years and above	04	13
<b>Total</b>	<b>31</b>	<b>100</b>

**Source:** Research Data (2017)

As shown in Table 4.1, majority (35%) of the respondents were aged between 40-49 years, 32% of them were aged between 30-39 years, 19% were aged between 20-29 years and 13% were aged above 50 years. The results implies that majority of the respondents of the study had adequate information with regard to the influence of public procurement and asset disposal act regulations.

The middle aged employees were strategically hoping to be promoted as the Corporations expanded thus achievement of their career goals in the long run. Even though some employees indicated that in the public sector employees were taking too long to achieve their full potential compared to private sector, some were optimistic that their Corporations had high chances of career growth.

On the other hand, some employees were of the opinion that changing their jobs was a stepping stone to career advancement rather than stagnation for a long period of time in the public service sector. Most of the employees were of the opinion that getting a well-paying job, one should take a risk.

#### **4.2.2 Gender of Respondents**

The study sought to establish respondents gender among the three State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.2:

**Table 4.2: Gender of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	21	68
Female	10	22
<b>Total</b>	<b>31</b>	<b>100</b>

**Source:** Research Data (2017)



As shown in Table 4.2, majority (68%) of the respondents were male respondents who worked in departments of the three State owned Corporations in the Public Road Transport Sector in while 22% of them were female respondents. It is emerged that male employees were dominating the number of women employee in the three Corporations. These findings imply that most of the employees who worked in the procurement departments were men compared to women. On the other hand, it was observed that the criteria which was used to hire and address gender imbalances in the three State owned Corporations was not ideal and there was need for the review.

However, it emerged that influence from policies leaders compromised the recruitment policies of State owned Corporations in the Public Road Transport Sector in Kenya. Employment of new workers is an issue that draws political attention and interests among State owned Corporations.

#### **4.2.3 Respondents Level of Education**

The study sought to establish respondent level of education among three State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.3:

**Table 4.3: Respondents Level of Education**

<b>Level</b>	<b>Frequency</b>	<b>Percentage</b>
Postgraduate	11	35
Bachelors	15	49
Diploma	05	16
Certificate	00	00
<b>Total</b>	<b>31</b>	<b>100</b>

Source: Research Data (2017)

As shown in Table 4.3, majority (49%) of the respondents indicated they were degree holders who periodically worked as procurement officers among the three State owned Corporation in the public road transport sector in Kenya, 35% were postgraduate holders with more than one degrees and other qualifications and (5%) were diploma holders.

The findings imply that most of the workers employed had the minimum required qualifications and knowledge to perform. Most of the workers hired by State owned Corporations in the Public Road Transport Sector in Kenya were unable to advance their careers further due to lack of adequate time and flexibility of working schedule.

On the other hand, it emerged that most of the employees were unable to proceed with their studies after acquiring first degree due to lack of education policies to empower workers. However, it was noted that individual who managed to advance their studies were raising funds from other sources such as small businesses and family support.

#### **4.2.4 Duration of Work**

The study sought to determine the duration employees had worked in the procurement department among the three State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.4:

**Table 4.4: Duration of Work**

<b>Level</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 Year	02	6
2-5 Years	18	58
6-9 Years	04	13
10 Years and above	07	23
<b>Total</b>	<b>31</b>	<b>100</b>

**Source:** Research Data (2017)

As illustrated in Table 4.4, majority (58%) of the respondents had worked in the procurement department for a duration between 2-5 years, 23% had worked for a duration of more than 10 years, 13% had worked for a duration between 6-9 years and 6% of them had worked for a duration less than 1 year.

The results imply that most of the respondents of this study had worked for enough time to give accurate information about the problem. Some few individuals had worked for a short duration in the Corporations since they were engaged on contractual terms. Others had worked for a long period of time since they were engaged on permanent basis.

In addition, even though majority had worked for a long period of time that ranged from two to five years, it was noted that some State owned Corporations in the Public Road Transport Sector in Kenya were increasing the number of employees due to overwhelming demand during service delivery.

#### **4.3 Extent of Compliance to Public Procurement Act regulations of 2015**

The study sought to determine the extent to which State owned Corporations in the Public Road Transport Sector in Kenya complied with Public Procurement Act regulations of 2015 as depicted in Table 4.5. The results revealed that most of the respondents agreed to a larger extent that their Corporations were compliant with Public Procurement Act regulations of 2015.

However, despite compliance it emerged from a section of respondents that some regulations were not adhered to due to internal and external challenges. Issues of leadership, communication and structure and political influences were pointed to be key obstacles to compliance to Public Procurement Act regulations of 2015.

The results of the study revealed that procurement planning practices such as procurement plans supplier integration, e-procurement, demand forecasting and process evaluation influenced service quality delivery among State owned Corporations in the Public Road Transport Sector in Kenya.

**Table 4.5: Extent of Compliance to Public Procurement Act regulations of 2015**

<b>Level</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	31	99.5
No	00	00
<b>Total</b>	<b>31</b>	<b>100</b>

**Source:** Research Data (2017)

As shown in Table 4.5, majority (99%) of the respondents indicated that their Corporations were compliant to Public Procurement Act regulations of 2015. These results implies the majority of the State owned Corporation in the public road transport sector were making procurement decisions through guidelines of PPA regulation of 2015 despite internal and external influences.

The internal aspects that influenced were pointed out influencing PPA regulation of 2015 and service delivery were communication policies, leadership policies and structural rigidity. Further, external aspects were influenced from policies leaders and change of procurement regulations.

The results of the study indicated that there is a positive statistical relationship between consolidated variables of procurement planning and service delivery among the three State owned Corporation in the public road transport sector in Kenya.

### 4.3.1 Procurement Planning Practice and Service Delivery

The study sought to determine the extent to which procurement planning practices influenced service delivery among State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.6:

**Table 4.6: Procurement Planning Practice and Service Delivery**

Statements	N	Mean	SD	T-value	P-values
My organizations has a clear criteria of identifying products or services procured	31	3.78	.884	53.42	0.022
My organization has effective procurement plans	31	3.61	.664	51.45	0.000
My organizations sources for suppliers after thorough consultation of all key stakeholders	31	3.58	.587	43.34	0.000
A clear criteria/ standard is used to evaluate vendors	31	3.47	.673	33.23	0.011
Contracts are awarded to competent and experienced vendors	31	3.33	.596	32.13	0.021
Contracts are implemented as stipulated with minimal difficulty	31	2.10	.498	44.11	0.000
There are appropriate policies that control goods in stock	31	2.10	.491	31.21	0.000
Clear procedures are followed when making payment to vendors	31	2.03	.411	24.11	0.011
Clear procedures are followed when disposing goods/ equipment	31	2.01	.374	22.41	0.000
<b>Overall mean score=3.665</b>					

**Source:** Research Data (2017)

Table 4.6, indicates that to a larger extent, majority of the respondents revealed that procurement planning had a significant effect on service delivery. From the findings, majority indicated that their corporations had clear criteria of identifying products or services procured with a mean of 3.78, effectiveness of procurement plans with a mean of 3.61, sourcing of suppliers after thorough consultation with a mean of 3.58, standardized criteria of evaluation suppliers with a mean of 3.47.

Further, awarding of contracts to competent vendors with a mean of 3.33, implementation of contracts with minimal difficult with a mean of 2.10, policies to control goods in stock with a mean of 2.10, clear procedures followed when paying vendors with a mean of 2.03 and clear procedures are followed when disposing equipment with a mean of 2.01.

Further, to support the findings T-test was conducted to establish the statistical relationship that existed between the variables as shown in Table 4.6. The results reveals that procurement planning variables had varied t-values of measurement in comparison where, corporations had clear criteria of identifying products or services procured had the highest difference (t-value = 53.42, p-value < 0.05) and clear procedures followed when paying vendors had the lowest difference (t-value = 22.41, p-value < 0.05).

The findings implies that procurement planning practices such as procurement plans, procedures, consultation of stakeholders, disposing goods by adhering to laid down procedures, observing timelines on awarding contracts and evaluating vendors based on particular standards influenced services delivery among State owned Corporations in the Public Road Transport Sector in Kenya.

### 4.3.2 Challenges of Implementing Public Procurement and Asset Disposal Act

The respondents of the study were asked to indicate the challenges of implementing Public Procurement and Asset Disposal Act and its effect on service delivery among State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.7:

**Table 4.7: Challenges of Implementing Public Procurement and Asset Disposal Act**

Statements	N	Mean	SD	T-value	P-values
Employees are conversant with provisions of PPAD Act	31	4.18	.684	44.42	0.031
Top leaders are dedicated to implement PPAD Act policies	31	4.11	.644	31.45	0.011
The procurement process is automated	31	4.08	.537	33.34	0.010
Procurement plans are implemented without difficult	31	4.03	.473	33.23	0.000
My organization conducts market surveys regularly	31	3.83	.311	32.13	0.021
My organization strictly adheres to procurement budgets	31	3.53	.316	24.11	0.000
Terms of References(TORs) are development based on a standard procedure	31	3.14	.306	11.21	0.000
Supplier grievances are handled on a timely basis	31	3.08	.255	24.11	0.011
Tendering procedures are adhered to by all officers	31	3.03	.239	32.33	0.000
Suppliers are paid in time without delay	31	2.28	.558	13.34	0.000
The organization has effective stock management system	31	2.28	.498	14.45	0.001
Disposal regulations are followed	31	2.21	.441	15.13	0.000
<b>Overall mean score=3.998</b>					

**Source:** Research Data (2017)

Table 4.7, indicates that to a larger extent, majority of the respondents revealed that their corporations were experiencing challenges of implementing Public Procurement and Asset Disposal Act thus affecting service delivery. The findings indicate that majority of the employees were conversant with provisions of PPAD Act with a mean of 4.18, leadership dedication to implementation of PPAD Act policies with a mean of 4.11, automation of procurement processes with a mean of 4.08, implementation of procurement plans with minimal difficult with a mean of 4.03.

Further, conduction of market surveys with a mean 3.83, adherence to procurement budgets with a mean of 3.53, development of TORs based on standard procedures with a mean of 3.14, handling suppliers grievances on a timely manner with a mean of 3.08, adherence to tendering procedures by officers with a mean of 3.03, payment of suppliers on a timely basis with a mean of 2.28, effectiveness of stock management system with a mean of 2.28 and adherence to disposal regulations with a mean of 2.21.

Further, to support the findings T-test was conducted to establish the statistical effect of challenges of implementing Public Procurement and Asset Disposal Act on service delivery among State owned Corporations in the Public Road Transport Sector as shown in Table 4.7. The results reveals that challenges of PPAD Act had varied t-values of measurement in comparison where, employees were conversant with provisions of PPAD Act had the highest difference (t-value = 44.42, p-value < 0.05) and adherence to disposal regulations had the lowest difference (t-value = 15.13, p-value < 0.05).

The findings implies that most of the State owned Corporations in the Public Road Transport Sector in Kenya were experiencing a number of challenges during implementation of Public Procurement and Asset Disposal Act policies. Some of the challenges includes; lack of dedication from employees during implementation of PPAD



Act, automating procurement process, non-adherence to procurement budgets, TORs standards, tendering procedures, disposal regulations and inability to handle supplier grievances.

### 4.3.3 Mitigation of Challenges during Implementation of PPAD Act

The study sought to determine measures of mitigating the challenges of implementing Public Procurement and Asset Disposal Act among State owned Corporations in the Public Road Transport Sector in Kenya and the following were the findings as shown in Table 4.8:

**Table 4.8: Mitigation of Challenges during Implementation of PPAD Act**

Statements	N	Mean	SD	T-value	P-values
Computerization of the procurement will enhance service delivery	31	4.28	.665	33.11	0.021
Training employees of ethical values/ PPAD will promote service delivery	31	4.18	.654	31.00	0.000
Evaluation of procurement objectives will enhance service delivery	31	4.13	.623	29.42	0.011
Conducting market surveys will enhance competitiveness of the corporation	31	4.11	.584	28.11	0.022
Adherence to procurement budgets will promote efficiency and effectiveness	31	4.11	.453	24.14	0.010
Supplier involvement in the procurement process will enhance competitiveness of the corporation	31	4.09	.486	13.95	0.003
Adherence to PPAD regulations will enhance competitiveness of the corporation	31	4.02	.781	21.34	0.000
Accountability and transparency in the procurement process will enhance performance of corporations	31	4.02	.744	31.01	0.000
<b>Overall mean score=4.933</b>					

**Source:** Research Data (2017)

Table 4.8, indicates that to a larger extent, majority of the respondents revealed that their corporations would mitigate challenges of implementing Public Procurement and Asset Disposal Act thus enhanced service delivery. The findings indicate that computerization of procurement process would result to improved service delivery with a mean of 4.28, training employees on ethical values with a mean of 4.18,

In addition, evaluation of objectives and conducting market surveys with a mean of 4.11, adherence to procurement budgets with a mean of 4.11, involvement of suppliers in the procurement process with a mean of 4.09, adherence to PPAD regulations with a mean of 4.02 and accountability and transparency with a mean of 4.02.

Further, to support the findings T-test was conducted to establish the statistical effect of mitigating challenges of implementing Public Procurement and Asset Disposal Act on service delivery among State owned Corporations in the Public Road Transport Sector in Kenya as shown in Table 4.8. The results reveals that mitigating challenges of during implementation of PPAD Act had varied t-values of measurement in comparison where, computerization of procurement process had the highest difference (t-value = 33.11, p-value < 0.05) and supplier involvement in the procurement process had the lowest difference (t-value = 13.95, p-value < 0.05).

The findings implies that State owned Corporations in the Public Road Transport Sector in Kenya would only enhance their service delivery through automating their procurement processes, training employees on ethical values, evaluate procurement objectives periodically, conduct market surveys on procurement trends, adhere to PPAD Act policies, involve suppliers in the procurement process and enhance accountability and transparency in the procurement process.

#### **4.4 Qualitative Data Analysis**

The study incorporated open-ended questionnaires which were analyzed using content analysis, the questionnaire were summarized into three sections; Procurement Planning Practice and Service Delivery, Challenges of Implementing Public Procurement and Asset Disposal Act and Mitigation of Challenges during Implementation of PPAD Act.

It emerged that most of the State owned Corporations in the Public Road Transport Sector in Kenya to a large extent were not embracing procurement planning practices to enhance service delivery. It was noted that despite the fact that procurement planning enhanced service delivery, majority of the corporations did not embrace procurement plans and procedures. Further, it was revealed that despite existence of PPAD Act, most of the regulations were violated such as criteria of evaluating vendors, awarding of tenders, involvement of stakeholders in the procurement process and observing timelines of contracts.

It emerged that State owned Corporations in the Public Road Transport Sector in Kenya were experiencing quite a number of challenges during implementation of PPAD Act policies such as inability to integrate technology in the procurement process and non-adherence to disposal regulations. Further, it was pointed out that criteria of tendering were unclear and procedures of handling supplier grievances were not clear.

It emerged that to mitigate challenges of implementing PPAD Act policies, corporation in the Public Road Transport Sector in Kenya should embrace and seek to address issues of system automation, employee training on ethical values, conduct market surveys and involve key partners during the procurement process.

## **4.5 Inferential Statistics**

To determine conformity to essential statistical assumptions, diagnostic tests were conducted and the results indicated that the variables of the study were ideal to be examined and maintained in the model.

To determine whether there existed positive a correlation effect between consolidated variables of procurement practices and service delivery, each variables; procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation were correlated against the dependent variable; service delivery. After correlations, all the p-values of the variables were less than the critical value of 0.05, indicating that there is a strong correlation between the variables of the study.

Further to determine whether there existed a strong statistical relationship between variables, each independent variable was regressed against the dependent variable and it is indicated that there was a strong statistical relationship between the variables of the study. This conclusion was arrived at since all the significance values were less than the critical value of 0.05.

### **4.5.1 Diagnostic Tests**

Before subjecting data to regression analysis, normality, linearity, homogeneity and multicollinearity tests were conducted to determine conformity with essential statistical assumptions.

### **4.5.2 Normality Test**

Shapiro-Wilk test was used to test normality. According to Guest (2010), data is seen to be normally distributed when statistical figures ranges from zero to one and significance values are less than 5%.

**Table 4.9: Normality Test**

<b>Variables</b>	<b>Statistics</b>	<b>df</b>	<b>Sig</b>
Procurement plans	0.872	31	0.003
Supplier integration	0.811	31	0.002
E-procurement	0.746	31	0.000
Demand forecasting	0.711	31	0.000
Process Evaluation	0.659	31	0.011

**Source:** Research Data (2017)

As shown in Table 4.10, the consolidated variables of procurement planning variables had figures ranging from -0.1 to +1.0 and most of them were skewed towards +1.0. procurement plans had the highest value of calculated probability (=0.872) while process evaluation had the lowest value of calculated probability (0.659). The results reveals that thecalculated probability values of the five variables are greater than 0.05. Therefore, at 5% level of significance the sample follows a normal distribution (Crowther & Lancaster, 2012).

#### **4.5.3 Linearity Test**

Pearson's moment correlation coefficient was used to determine linearity test between service deliver, procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation shown in Table 4.10.

**Table 4.10: Linearity Test**

Independent Variables		Operational Performance
Procurement Plans	Pearson Correlation	0.556**
	Sig(2-tailed)	0.001
	N	31
Supplier Integration	Pearson Correlation	0.417**
	Sig(2-tailed)	0.000
	N	31
E-procurement	Pearson Correlation	0.456**
	Sig(2-tailed)	0.002
	N	31
Demand Forecasting	Pearson Correlation	0.336**
	Sig(2-tailed)	0.010
	N	31
Process Evaluation	Pearson Correlation	0.296**
	Sig(2-tailed)	0.000
	N	31

**\*\*p < 0.05**

**Source:** Research Data (2017)

Table 4.11, reveals that there is a positive and significant linear relationship between service delivery and procurement plans ( $r=0.556$ ,  $p<0.05$ ), supplier integration( $r=0.417$ ,  $p<0.05$ ), e-procurement( $r=0.456$ ,  $p<0.05$ ), demand forecasting ( $r=0.336$ ,  $p<0.05$ ), and process evaluation( $r=0.296$ ,  $p<0.05$ ) at 5% level of significance on service delivery among State owned Corporations in the public road transport sector in Kenya. The results implies that there was co-movement of variables, and in the same direction thus providing an ideal condition of conducting regression analysis to estimate causal relationship (Collis & Hussey, 2014).

#### 4.5.4 Homogeneity Test

Levene's Test homoscedasticity of homogeneity of Variances. According to Novikov. and Novikov (2013) argues that homogeneity of variances assumes that the dependent variable exhibits equal variance across the range of predictor variables. If the variance of the two groups are not the same, then is inappropriate to add them since they will generate different estimates of the common group of variances. Therefore, in this case Levene test was used to measure the equality of variances for the variables of the study. If the test is significant (calculated probability > 0.05), the two variances are not significantly different and are thus approximately equal (Guest, 2012).

**Table 4.11: Homogeneity Test**

Variables	Lavene Statistics	df	Sig
Procurement plans	8.456	1	0.789
Supplier integration	7.432	1	0.579
E-procurement	7.334	1	0.234
Demand forecasting	7.324	1	0.742
Process Evaluation	6.214	1	0.634
Service Delivery	6.047	1	0.057

**Source:** Research Data (2017)

Table 4.11 indicates that the calculated probability is  $p > 0.05$  for all the six variables of the study. The calculated probability values generated from this test ranged between 0.057 for service delivery and 0.789 for procurement plans. The result shows that the significance level of Levene Test is greater than 0.05, demonstrating variance homogeneity as proposed by (Fisher, 2010).

#### 4.5.5 Multicollinearity Test

Regression analysis was conducted to establish whether multicollinearity problem existed.

**Table 4.12: Multicollinearity Test**

Model	Collinearity Statistics	
Procurement plans	Tolerance	Mean VIF
Supplier integration	0.846	1.568
E-procurement	0.882	1.467
Demand forecasting	0.712	1.245
Process Evaluation	0.703	1.249
Service Delivery	0.678	1.231

**Source:** Research Data (2017)

Table 4.12 reveals that all the VIFs of the six variables of the study were less than 10 and Tolerance greater than 0.1 respectively. VIF of greater than 10 and Tolerance less than 0.1 suggests multicollinearity (Collis & Hussey, 2014) service delivery yielded the least VIF at 0.678 and procurement plans generated the highest VIF at 0.846. This implies that there was no multicollinearity and thus all the predictor variables were maintained in the regression model, as this is within the threshold recommended by Crowther & Lancaster (2012) & Fisher (2010).

#### 4.6 Correlation Analysis

Pearson's product moment Correlation Analysis was conducted at 95% confidence interval and 5% confidence level 2-tailed to assess the statistical relationship between the variables while multiple regressions was used to determine the predictive power of the each independent variable on performance of Microfinance Institutions in Kenya.



**Table 4.14: Correlations Results Analysis**

	<b>Procurement plans</b>	<b>Supplier integration</b>	<b>E-procurement</b>	<b>Demand forecasting</b>	<b>Process Evaluation</b>
	1				
<b>Procurement plans</b>	.710				
	.001	1			
<b>Supplier integration</b>	.693	.027			
	.001	.799			
<b>E-procurement</b>	.434	.539	.356		
	.002	.000	.001		
<b>Demand forecasting</b>	.398	.413	.389	.371	
	.001	.000	.001	.002	
<b>Process Evaluation</b>	.347	.349	.314	.298	.287
	.002	.002	.011	.001	.000
<b>**p&lt; 0.05</b>					

**Source:** Research Data (2017)

Table 4.14 indicates that there was statistical correlation between the Procurement plans (0.710), Supplier integration (0.693), E-procurement (0.434), Demand forecasting (398) and Process evaluation (347). The positive relationship indicates that there was a correlation between the three variables of the study on service delivery. The significance values of the six independent variables were less than 5% (0.001, 0.001, .002, .001 and 0.002) which indicates that a unit increase of procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation resulted to a unit increase in service delivery among State owned Corporations in the Public Road Transport Sector in Kenya.

#### 4.7 Regression Analysis

A multiple regression analysis was conducted to find out the linear relationship between the five independent variables on the dependent variable.

**Table 4.15: Regression Results Analysis**

Dependent Variable	Independent Variables	Beta Value	T-Value	P-Values
Service Delivery	Procurement plans	0.295	3.277	0.002
Service Delivery	Supplier integration	0.244	3.217	0.000
Service Delivery	E-procurement	0.154	3.446	0.001
Service Delivery	Demand forecasting	0.148	3.123	0.000
Service Delivery	Process Evaluation	0.134	3.257	0.011

**Source:** Research Data (2017)

Table 4.15, indicates that there was a significant statistical relationship between procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation and service delivery among State owned Corporations in the Public Road Transport Sector in Kenya. The significance values of the five independent variables were; Procurement plans ( $\beta=0.295$ ,  $p < 0.05$ ), Supplier integration ( $\beta=0.244$ ,  $p < 0.05$ ), E-procurement ( $\beta=0.154$ ,  $p < 0.05$ ), Demand forecasting ( $\beta=0.148$ ,  $p < 0.05$ ), Process Evaluation ( $\beta=0.134$ ,  $p < 0.05$ ).

**Table 4.16: Correlation Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.139	1.2235		0.930	0.000
Procurement plans	0.787	0.3132	0.152	2.512	0.000
Supplier integration	0.752	0.3425	0.154	2.195	0.001
E-procurement	0.539	0.1937	0.163	2.782	0.000
Demand forecasting	0.538	0.1234	0.178	2.518	0.010
Process Evaluation	0.498	0.2341	0.167	2.156	0.012

**Source:** Research Data (2017)

Table 4.16, coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables. Multiple regression analysis was conducted to determine the relationship between procurement planning practices and service delivery among three State owned Corporations in the Public Road Transport Sector in Kenya.

After conducting regression analysis, the regression equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$ ) became:  $Y = 1.139 + 0.787X_1 + 0.752X_2 + 0.539X_3 + 0.538X_4 + 0.498X_5$

From the findings of the regression equation, it is indicated that taking all factors into account (procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation) constant at zero, service delivery will be 0.0139. Further, the results reflects that taking all other independent variables at zero, a unit increase in procurement plans will lead to a factor of 0.787 service delivery; a unit increase in supplier integration will lead to a factor of 0.752service delivery; a unit increase ine-procurement will lead to a factor 0.539 service delivery, a unit increase in demand forecasting will lead to a factor of 0.538 service delivery and a unit increase in process evaluation will lead to a factor of 498 service delivery among State owned Corporations in the Public Road Transport Sector in Kenya.

At 5% level of significance and 95% level of confidence the significance values of the five variables was less than 0.05, indicating that there was a positive statistical relationship between the consolidated variables of procurement planning and service quality among State owned Corporations in the Public Road Transport Sector in Kenya.

#### **Table 4.17 Moderation Effect between PPAD procurement Planning Practices and Service Delivery**

To test the moderating effect of PPAD Act regulations between procurement Planning Practices and Service Delivery, variables of procurement planning such as procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation were examined against service delivery as depicted in Table 4.17 (a) and 4.17 (b) as shown below.

**Table 4.17 a: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	F Change	Change Statistics df1	df2	Sig. F Change
1	.559 <sup>a</sup>	.078	.048	.86328	0.52	13.687	1	248	.000
2	.432 <sup>a</sup>	.069	.028	.67456	0.45	11.785	1	212	.000
3	.346 <sup>a</sup>	.089	.056	.56318	0.34	10.645	1	123	.001
4	.226 <sup>a</sup>	.056	.045	.88958	0.14	10.656	1	134	.010
5	.345 <sup>a</sup>	.068	.078	.78569	0.42	11.457	1	145	.000

a. Predictors: (Constant), X5centered,X4centered, X3centered, X2centered, X1centered

b. Predictors: (Constant), X5centered,X4centered, X3centered, X2centered, X1centered, Z

**Source:** Research Data (2017)

**Table 4.17 b: ANOVA<sup>b</sup>**

Model		Sum of Square	Df	Mean Square	F	Sig
1	Regression	10.200	1	10.200	3.687	.000a
	Residue	184.183	31	.745		
	Total	195.023	42			
2	Regression	21.231	1	.124	3.225	.011b
	Residue	34.012	24			
	Total	55.243	33			
3	Regression	33.111	2	.134	2.456	.010c
	Residue	23.456	42			
	Total	55.567	33			
4	Regression	45.456	1	.145	3.256	.000d
	Residue	21.113	23			
	Total	66.569	24			
5	Regression	21.234	3	.123	3.132	.001e
	Residue	13.245				
	Total	34.479				

a. Predictors: (Constant), X5centered,X4centered, X3centered, X2centered, X1centered

b. Predictors: (Constant), X5centered,X4centered, X3centered, X2centered, X1centered, Z

b. Predictors: (Constant), X5centered,X4centered, X3centered, X2centered, X1centered, Z, X1Z1,XZ2, X3Z3, X4Z4, X5Z5

c. Dependent Variable: Service Delivery

**Source:** Research Data (2017)

The interaction effect of PPAD regulations on the combined relationship between procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation and service delivery among State owned Corporations in the Public Road Transport Sector in Kenya reveals that there is a moderating effect. The overall  $R^2$  was high 78.0% signifying that only a larger percentage of variance in service delivery measure is explained by the interaction effect of PPAD act.

#### **4.8 Discussion of Findings**

The study revealed that procurement planning practices influenced service delivery among State Corporations. These findings are in line with that of Mahmood (2010) & Gikonyo (2014) who concur that adherence to procurement plans by both private and public organizations was attributed to improved customer services delivery thus improved corporate image. Further, Chepkoech (2013) concurs that without effective procurement plans, organizations cannot forecast the changing consumer demands in the changing business environment. In addition, the findings of this study correspondents with the central tenets of logistic theory and lean theory that emphasize on achieving organizational excellence though strict adherence to procurement regulations and plans.

The study revealed that quite a number of challenges are experienced when implementation the PPA regulations. These results correspond with that of Adusei & Awunyo (2015); Mahmood (2010); Maina & Omboto (2015); Mdemu (2013); Njogu & Gichinga (2016) who revealed that most of the public organizations are experiencing internal and external challenges during the implementation of PPAD Act policies. Some of the issues they pointed that hinder public procurement range from violation of procurement regulation by procurement officers, non-adherence to set TOR guidelines and collusion of employees with suppliers during the tendering process.

Further, they noted that exaggeration of procurement budgets and inability to automate the systems were issues of concern. The study established that challenges experienced during implementation of PPA regulations can be mitigated by using a number of interventions ranging from employee training and review of policies. The findings corresponds with that of Public Procurement Oversight Authority (2016); Rotich (2011); Telgen (2011).

Further. Tumugabirwe (2014) and Thai (2011) revealed that the only way public organizations can enhance their performance is through adherence to public procurement regulations that are stipulated in the PPAD act. Further, they noted that employee integrity is key in any public organization since they are mandated to formulate and implement procurement policies. In addition, they suggest that public organizations should take legal actions against public procurement officers who may violate PPAD Act policies thus enhanced accountability and transparency.

The study established that there was a positive statistical relationship between procurement planning practices and service delivery among State Corporation in Kenya. These results correspond with the view of Nyaboke (2016); Njogu & Gichinga (2016) & Mong'are & Mwangangi (2016) who revealed that procurement planning policies such as electronic procurement and demand forecasting are attributed with customer satisfaction. They noted that firms that failed to plan were likely to experience problems of meeting consumer demands.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

This chapter presents a summary of the research findings. The findings were objectively summarized based on the information collected from the respondents. Deductive arguments are carefully made in relation to findings of previous empirical studies and concepts of the already existing theories. To avoid subjectivity of the research findings, the arguments are strictly based on quantitative figures as depicted in the tables provided.

Further to analyze and summarize qualitative data, key themes of qualitative statements from the questionnaires were analyzed and deductive arguments are made based on the concepts of the theories adopted by the study and supportive literature from empirical studies. On the other hand, conclusions of the study are made based on the basis of existing theories. In addition, to ensure the conclusions made were valid and reliable, the findings of the study were relied on to enhance objectivity of the study.

Recommendations are described based on the findings and context of the organization in order to add new knowledge in the field of management, policy formulation and research. Limitations of the study are described based on conceptual, contextual, and methodological manifestations. Finally, suggestions for further research are based on the research findings and existing theories.

### **5.1 Summary**

The study established that procurement planning practices such as procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation influenced service delivery among State owned Corporations in the Public Road Transport Sector in Kenya.



However, it was noted that despite the fact that procurement planning had a significant influence on service delivery, it was noted that among State owned Corporations in the Public Road Transport Sector in Kenya were not embracing some of the practices to a larger extent due to issues of technological challenges, inability to evaluate procurement plans lack of effective criteria to evaluate procured products or services and evaluate contractors. Further, it was revealed that the laid down procedures were not followed during disposal of equipment and stakeholders were not consulted.

The study revealed that quite a numbers of challenges were experienced by State owned Corporations in the Public Road Transport Sector in Kenya when implementation Public Procurement and Asset Disposal Act policies to enhance service delivery. It is noted that to a larger extent, majority of the employees of State owned Corporations in the Public Road Transport Sector in Kenya violated the regulations stipulated in the Act, inability to automate procurement processes due to employee resistance and lack of top management support, non-adherence to procurement budgets, non-adherence to set standards during development of TORs, violating tendering and disposal regulations. However, it was noted that non-adherence to procurement practices had contributed to corruption related cases among some public procurement officers working in State owned Corporations in the Public Road Transport Sector in Kenya.

The study revealed that revealed that State owned Corporations in the Public Road Transport Sector in Kenya would only mitigate the challenges experienced during implementation of PPAD Act by computerizing procurement processes, training employees on PPAD act, and involving suppliers in the procurement process, conducting market surveys and accountability and transparency of the procurement process.

## **5.2 Conclusion**

From the findings of the study, it can be concluded that State owned Corporations in the Public Road Transport Sector in Kenya would only enhance their service delivery and overall performance by formulating and implementing procurement plans such as supplier integration, e-procurement, demand forecasting.

Further, to overcome challenges of implementing PPAD act policies, State owned Corporations should seek to embrace and address issues of training employees of procurement ethics, adhere to procurement guidelines stipulated in PPAD Act, automate procurement systems and observe accountability and transparency in any procurement activity.

By extension, the study concludes that for State owned Corporations in the road transport sector in Kenya to perform effectively, political interference in the recruitment and procurement process should be avoided through the review of procurement and recruitment policies. Sustainable competitiveness and customer relations will be enhanced through adherence to PPAD Act regulations.

## **5.3 Recommendations**

The study observed that despite the fact that procurement planning practices enhanced serviced delivery, to some extent of State owned Corporations in the Public Road Transport Sector in Kenya did not embrace some initiatives such as supplier involvement in procurement process. Further, it was noted that criteria of awarding tenders or contracts, making payments to suppliers and disposing goods was unclear to some extent.

It emerged that to some extent some employees violated regulations of the PPAD act and this resulted to corruption related cases among State Corporations. Therefore, this study recommends that top management of State owned Corporations in the Public Road Transport Sector in Kenya should ensure that regulations of PPAD Act are strictly adhered to by all employees and provide maximum awareness about the consequences of violating the PPAD regulations.

Further, it was noted that most of the procurement activities were conducted manually, therefore, the study recommends that top management of State owned Corporations in the Public Road Transport Sector in Kenya to partner with ICT firms to ensure that they have reliable and effective procurement systems that can provide timely information about what needs to be procurement, from which suppliers and at what time.

The study revealed that State owned Corporations in the Public Road Transport Sector in Kenya were experiencing challenges of that ranges from violation of tendering procedures and disposal of goods. Therefore this study recommends that top management of State owned Corporations should take appropriate action against officers that violate the regulations. In addition, the top management should review the code of ethics that guide the behaviour of workers thus addressing the emerging trending in the procurement discipline. Furthermore, issues of delayed payment among suppliers should be addressed by top management developing internal financial management policies that address issues of short term and long term debts in order to minimize financial risks.

Finally, the study noted that State owned Corporations in the Public Road Transport Sector in Kenya would only mitigate challenges experience during implementation of PPAD Act policies through system automation, stakeholder involvement and training workers on ethical values and evaluating procurement plans based on objectives formulated.

Therefore, this study recommends that top management of State owned Corporations in the Public Road Transport Sector in Kenya should emphasize on e-procurement interventions in order to minimize enhance efficiency and effectiveness in service delivery.

#### **5.4 Limitations of the Study**

The limitations of the study took on conceptual, contextual, and methodological manifestations. Conceptually, the study only focused on the influence of public procurement and asset disposal act regulations on the relationship between procurement planning practices and service delivery in Kenya State owned Corporations in the road sector. Therefore, this limitation was overcome by other studies seeking to examine other variables of strategic planning that influence service quality among State owned Corporation. Furthermore, other future studies should seek to examine the moderating or intervening effect of other variables apart from PPAD Act between procurement planning practices and service delivery.

Contextually, the study was limited to the Kenya State owned Corporations in the road sector. Therefore, this limitation was overcome by future researchers conducting studies to establish the influence of consolidated variables of procurement planning on other sectors such as airline and railways transport sector.

Methodologically, obtaining accurate information from the respondents was one of the major challenges since they were threatened that the information may be used against them by the management in the terms of performance hence insecurity of their jobs. The limitation was overcome by assuring the respondents of the confidentiality and privacy of the information provided. The study adopted structured questionnaires to collect data in a structured form without considering attitudes of the respondents with particular issues. This limitation was overcome by analysis of qualitative data using content analysis method to unfold respondent attitudes and perceptions in relation to the problem that was under investigation.

### **5.5 Suggestion for Further Research**

Since the study was limited to five consolidated variables of procurement planning variables which included, procurement plans, supplier integration, e-procurement, demand forecasting and process evaluation, the study suggests that other researchers should seek to investigate other variables in isolation or in a consolidated form and their influence on service delivery among other State owned Corporations or related sectors.

Other studies should seek to test other moderating and intervening variables that influence service delivery among other public organizations in other sectors such as ministries, manufacturing corporations, railway and air transport. Researchers should seek to interrogate further other procurement planning practices that would influence service delivery.

Last but not least, researchers should go ahead and conduct comparative studies to examine whether there is variations in research findings by examine the direct statistical relationship between procurement planning and service delivery in the. Further other intervening variables should be tested to justify the results of this study.

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# APPENDICES

## Appendix I: Introduction Letter



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Nairobi, Kenya

DATE 03/10/2017

### TO WHOM IT MAY CONCERN

The bearer of this letter MATASIO FELIX HASEFA

Registration No. DC180811/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



**PATRICK NYABUTO**  
SENIOR ADMINISTRATIVE ASSISTANT  
SCHOOL OF BUSINESS

**Appendix II: Research Questionnaire for Procurement Officers in State owned Corporations in the Public Road Transport Sector in Kenya**

**SECTION A: DEMOGRAPHIC INFORMATION**

---

**1. How old are you?**

- a) 20-29 [ ]
- b) 30-39 [ ]
- c) 40-49 [ ]
- d) 50 and above [ ]

**2. What is your Gender?**

- a) Male [ ]
- b) Female [ ]

**3. What is your level of education?**

- a) Certificate [ ]
- b) Diploma [ ]
- c) Degree [ ]
- d) Postgraduate [ ]
- e) Other [ ]

**4. How long have you worked in the University?**

- a) Less than 1 Year [ ]
- b) 2-5 Years [ ]
- c) 6- 9 Years [ ]
- d) 10 and above [ ]

**5. How long have you worked in the Corporation?**

- e) Less than 1 Year
- f) 2-5 Years
- g) 6- 9 Years
- h) 10 and above

**6. Is your corporation compliant with Public Procurement Act regulations of 2015?**

Yes [ ] No [ ]

**7. If No, briefly give reasons**

.....  
 .....  
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**SECTION B: PROCUREMENT PLANNING PRACTICE AND SERVICE DELIVERY**

Clearly tick the extent to which you agree with the following statements using the Likert scale of 1-5 as indicated below:

- 1. Indicate your level of agreement with the following statements relating to the effect of procurement planning and service delivery in Kenya state owned corporations in the road sector**
- 2. (scale 5= Strongly agree, 4= Agree, 3 = Moderately agree, 2= Disagree, 1 = Strongly disagree)**

<b>Statements</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
My organizations has a clear criteria of identifying products or services procured					
My organization has effective procurement plans					
My organizations sources for suppliers after thorough consultation of all key stakeholders					
A clear criteria/ standard is used to evaluate vendors					
Contracts are awarded to competent and experienced vendors					
Contracts are implemented as stipulated with minimal difficulty					
There are appropriate policies that control goods in stock					
Clear procedures are followed when making payment to vendors					
Clear procedures are followed when disposing goods/ equipments					

- 3. How else does procurement planning influence service delivery in Kenya state owned corporations in the road sector**

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**SECTION C: CHALLENGES OF IMPLEMENTING PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT AND SERVICE DELIVERY**

**4. Indicate your level of agreement with the following statements relating to the challenges of implementing Public Procurement and Asset Disposal Act and service delivery in Kenya state owned corporations in the road sector(scale 5= Strongly agree, 4= Agree, 3 = Moderately agree, 2= Disagree, 1 = Strongly disagree)**

<b>Statements</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Employees are conversant with provisions of PPAD Act					
Top leaders are dedicated to implement PPAD Act policies					
The procurement process is automated					
Procurement plans are implemented without difficult					
My organization conducts market surveys regularly					
My organization strictly adheres to procurement budgets					
Terms of References(TORs) are development based on a standard procedure					
Supplier grievances are handled on a timely basis					
Tendering procedures are adhered to by all officers					
Suppliers are paid in time without delay					
The organization has effective stock management system					
Disposal regulations are followed					

**5. What are other challenges encountered by Kenya state owned corporations in the road sector when implementing PPAD Act**

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**SECTION D: MITIGATE CHALLENGES EXPERIENCED BY KENYA STATE OWNED CORPORATIONS IN THE ROAD SECTOR WHEN IMPLEMENTING PPAD ACT**

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**6. Indicate your level of agreement with the following statements relating to measures that can be put in place to mitigate challenges experienced by Kenya state owned corporations in the road sector when implementing PPAD Act(scale 5= Strongly agree, 4= Agree, 3 = Moderately agree, 2= Disagree, 1 = Strongly disagree)**

<b>Statements</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Computerization of the procurement will enhance service delivery					
Training employees of ethical values/ PPAD will promote service delivery					
Evaluation of procurement objectives will enhance service delivery					
Conducting market surveys will enhance competitiveness of the corporation					
Adherence to procurement budgets will promote efficiency and effectiveness					
Supplier involvement in the procurement process will enhance competitiveness of the corporation					
Adherence to PPAD regulations will enhance competitiveness of the corporation					
Accountability and transparency in the procurement process will enhance performance of corporations					

**7. Which other approached can be adopted byKenya state owned corporations in the road sector when implementing PPAD Act thus enhanced service delivery?**

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**Thank you for your Cooperation**

**Appendix III: List of State owned Corporations in the Public Road Transport Sector in Kenya**

1. Kenya Rural Roads Authority, Kenya
2. Urban Roads Authority
3. Kenya National Highways Authority

**Source: Ministry of Transport and Infrastructure (2017)**