

**STRATEGIC PROCUREMENT PRACTICES AND SERVICE
DELIVERY IN THE MINISTRY OF NATIONAL TREASURY
AND PLANNING**

JANE KAGENDO MUTEMBEI

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DECLARATION

This research project is my original work and has not been presented for award of any degree in any other University.

Signature: _____

Date: _____

Jane Kagendo Mutembei

REG. NO.: D61/5144/2017

The research project has been presented with my approval as university supervisor.

Signature: _____

Date: _____

Prof. Mary Kinoti

Associate Professor

Department of Business Administration, School of Business

University of Nairobi

DEDICATION

The project is dedicated to my loving parents, my daughter, my nephew, sister and friends for the continuous support and prayers they accorded me throughout my research work.

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ACRONYMS AND ABBREVIATIONS

AGPO	-	Access to Government Procurement Opportunities
IFMIS	-	Integrated Financial Management Information System
SERVQUAL	-	Service Quality
TVETs	-	Technical Vocational Education Training Institutions

ABSTRACT

The general procurement function depends on strategic positioning in the services being offered in an organization. In the recently past years, there has been growing focus on the various procurement practices being used in organizations across the globe. Despite that, the procurement strategies being utilized in Kenyan organizations have been branded with high level of corruption, incompetence staff, and inefficiency which has in turn affected the service delivery. Therefore, this study aimed at establishing the effect of strategic procurement practices on service delivery in the ministry of national treasury and planning. The study was founded on two main theories namely, institutional theory and stakeholders' theory. The procurement practices that were point of focus for this study included contract management, staff competence, procurement planning, as well as resource allocation. On other hand the research utilized service delivery as dependent variable. The empirical literature on the concepts and context under investigation was also presented. The research followed descriptive research design. The target population for this study comprised of all the 1,360 suppliers in the ministry of national treasury and planning from which a sample size of 136 was drawn. This study was quantitative which collected primary data through use of a questionnaire. Data analysis employed use of descriptive and inferential statistics. The findings of this study indicated that service delivery is positively influenced by contract management, staff competence and resource allocation. On other hand, procurement planning practices was found not to significantly affect service delivery. The study therefore recommended that management of procurement firms should formulate and use viable and workable policies and guidelines to ensure proper service delivery. Procurement firms should employ competent staff based on qualification, merits, experiences and capabilities of individuals. Institutions should allocate enough resources to ensure sustainability to further achieve their goals and objectives.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Procurement is one of the critical functions of any given firm, company, organization or institution as it has the potential of saving cost, improving operational efficiencies and improvement of quality of products or services (Keith, *et. al.*, 2016). Strategic procurement practices help in providing the proper understanding of capacity of efforts applicable on the performance gaps of any given company as compared to the competitors (Basheka & Bisangabasaija, 2010; Saastamoinen, *et. al.*, 2018). The need for public corporations to put into consideration the efficient service delivery and optimal or higher value for the organizations has also become an important aspect of concern (Gambo, 2015). This is because public corporation devote a substantial effort money and time in training and development of their staff on procurement practices, however, the outcomes as per efforts made are invisible among institutions in terms of improved service delivery (Kemboi & Onyango, 2015). Therefore, good management practices within Kenyan public institutions can help in ensuring that their respective parastatal's procurement departments perform to the organization's expectations.

The current study was founded on two main theories which include: The institutional theory by Scott (2004) which was applied to help in determination of institutional structures, and environmental settings. The second theory was the stakeholders' theory which was founded by Freeman in the year 1984. Stakeholder theory benefitted this study by helping organizations in identifying and compelling employees from essential fields and departments of ministry as well as procurement firms to work towards the expectations of shareholders. Global competition in

businesses environment has led to firms taking into account every function in their operations, which might question whether each process and aspect of operations are contributing to strategic goals of organizations (Shiamwama, *et. al.*, 2014).

The expenditure of national funds by procurement entities in acquisition of works, services products and goods, is linked to multiplicity of functions since systems of public procurement are inherently dynamic and complex in nature (Makori, 2011). Procurement in public institutions is faced with several shortcomings specifically due to political environment, market structure, together with legal framework, thus achieving efficacy in public purchase and supply can be a task just an ambition. Kiage (2013) argued that Kenya has undergone noticeable development in procurement process all the way from 1960s where the government used to have a system without regulations, followed by 1970s, then in 1980s and 1990s when Treasury Circulars were being used to regulate procurement. New standards in the Kenyan procurement processes were realized in the year 2006 when the government introduced Procurement Regulations.

The “ministry of national treasury and planning” follow Article 227 of the Kenyan Constitution (2010) which gives an emphasis on public procurement framework. The procurement article is meant to ensure that the entities owned by the state are dynamic with ability of responding to available opportunities in the current business environment in order to increase value among the organizations in the Kenyan public sector. Procurement contribution to the national economy has also been recognized by the constitution. Section 227 (1) provides that government entities should contract based on fairness, equity, transparency, competitiveness as well cost effectiveness of the system. By employing effectiveness in procurement practices, public expenditure could be reduced (Owuoth & Mwangangi, 2015).

1.1.1 Concept of Strategy

The term strategy has been defined by various scholars to have different meanings and they are considered to be of relevance and usefulness to individuals responsible for formulation of strategies for their respective organizations, businesses, corporations, or institutions. For instance, Chandler (1962) described strategy as “the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals.” Porter (1986) defined a strategy as “a broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals.” In addition, Mintzberg (1994) referred strategy to a pattern, a plan, a perspective, a position, a ploy or a move employed by businesses to outdo their competitors.

Strategy can be an essential concept which can be applied to many business environments and at the same time, strategic planning in business is a useful tool that assist to manage the enterprises. Strategic management is a representation of efforts of realizing the outcomes brought about by strategic thinkers and this can be achieved through setting of strategies, the planning of strategies, and strategic implementation of policies (Nickols, 2016). Chen, et. al., (2004) asserted that for strategies to be used in purchasing should be proactive with a lasting vision towards supply chain management, which in turn can lead to a co-operative and closer relationship with key suppliers.

1.1.2 Strategic Procurement Practices

Sollish and Semanik (2012) explained that procurement practices involve the process of acquisition of products and services for any given institution in relation to set policies and

guidelines which oversee the process of service delivery, goods to be supplied as well as methods followed in the entire exercise. The main focus of these practices is supporting the efforts of an institution towards accomplishment of its long-term goals or objectives (Baily, 2011). The approach of strategic procurement practices can be addressed in three key aspects which include: coordination of purchasing, procurement operation done internally as well as development and management of products and services, among other functions (Keith, *et. al.*, 2016).

In procurement, various processes need to be adopted in order to ensure productivity and value in procurement processes irrespective to whether it is done in the either public or private sectors (Jibrin, *et. al.*, 2014). The need to show openness and fairness in competition is very important. The entire suppliers/vendors deserve fair treatment and should be handled with openness and in transparency manner. Masudin, *et. al.* (2018) observed that the art of procurement of goods and services entails the contracting of potential consultants and contractors to carry out tasks and services. Procurement process involves renting, leasing, hiring of goods, franchising, licensing, other contractible work, tenancy, service provision and supplies among others.

The procurement practice subject can undergo improvement which can in turn help in contributing to institutions' performance. Good procurement practices impact organizations' objectives achievements and value addition to the goods and services offered (Cha, *et. al.*, 2014). In contrast to traditional procurement processes whose focus was on transactional rather than relationship behavior, cost-cutting of purchases, profit of short-term improvement, and lowering prices; the present purchasing and supply approaches, the procured goods and services can deliver good long-term organization's values and goals (Kabega, 2016). This includes co-

operative negotiation with suppliers, reduction in number of suppliers, quality communication with suppliers, and the creation of long-term relations with the identified good suppliers as these procurement practices are associated to improvement in the procurement performances (Leiyang, 2016).

1.1.3 The Concept of Service Delivery

The main aim of service delivery is striving towards meeting expectations of customers (Leni, et. al., 2012). Therefore, service delivery is a way of ensuring customer satisfaction through provision of quality products/services. Service delivery consists of the element of speed which determines how fast services are offered to consumers (Fukey, Issac, Balasubramanian & Jaykumar, 2014). Poor service delivery in public sector can result to unproductive procurement system among institutions. In principle, it is essential for procurement managers to recognize the expected changes and how the perceived changes can affect an organization upon implementation of procurement tools (Siddiquee, 2016). According to Aketch and Karanja (2013) public institutions can only realize incredible rewards towards procurement, if they collaborate and consult other governmental parastatal, identify good suppliers and involve other relevant stakeholders. They suggested that employees need to be trained on current trends in procurement practices to enable them remain competitive.

Measurement of service delivery can be based on a number of attributes. For instance, McLoughlin and Batley (2012) stated that service delivery can be measured through customer satisfaction. On other hand, Thai, (2009) stated that beside customer satisfaction, employee and stakeholders' satisfaction. Service delivery can be realized by an organization having an effective and efficient systems. Laws and regulations controlling procurement can result either to

effectiveness or ineffectiveness in procurement. Preferably, these laws and regulations need to be consistent, flexible, comprehensive, and clear (Singh, Pathak, Naz & Belwal, 2010). Procurement planning contributes to facilitation of efficiency and effectiveness of service delivery within public organizations. Comprehensive procurement systems should be accompanied by competency of qualified workforce who have knowledge and skills for specific procurement tasks (Davis, 2014; Johan, 2006).

According to Basheka and Bisangabasaija (2010), one of the key ingredient which can be utilized by institutions to achieve service deliver is procurement. Therefore, institutions in public sector can realize a number of benefits of in purchasing and supplies if they focus on transparency in procurement which can be done through contract awards as well as timely publication of tender notices (Gakuu & Nyambura, 2014). This process will help in enhancement of service delivery through accountability and reduction of instances of corruption in government corporations (Kishor, *et. al.*, 2013).

1.1.4 Ministry of National Treasury and Planning

This government ministry has duty to formulate, co-ordinate and implement economic policies which assist in creation of intervention measures that leads to accomplishment of country's major economic and development goals efficiently. The ministry also deals in provision of leadership in line with the Sector/ministry's Plans, Kenya Vision 2030's Medium-Term Plans, and ensuring their implementations (National Treasury Report, 2017/2018). Various developments have been in existence in procurement aspects in public entities and this has been facing challenges for decades. This has been brought about by limited legal frameworks plus

inefficient procurement practices in the entire process of public tendering (World Bank Report, 2014).

A continuous process of reforms in public sectors have been experienced since the late 90's and these has in turn enabled the better regulation of public processes which is done through guidance of various government acts namely the "Public Procurement and Disposal Act" which was formulated in the year 2005; The "Public Procurement and Disposal Regulations" put in place in 2006, as well as Suppliers Practitioners Management Act formulated in 2007. These Acts have given rise to various independent bodies which are part of the changes being experienced in the Kenyan public procurement system (Republic of Kenya, 2015). Some of the developments realized in the Kenyan government's procurement system was the formulation and execution of a regulatory system referred to as IFMIS meaning Integrated Financial Management Information System in 2005 and this system has solely enabled the government to account and manage resources. In addition, IFMIS is applicable to various government initiatives which include: Integrated Human Resource Management system, State of Public Procurement Portals, e-Government Receipt Accounting Systems, Electronic Payment Systems, etcetera (GOK, 2011; Republic of Kenya, 2015).

1.2 Research Problem

In the past two decades, there has been growing focus on the various procurement practices being used in government organization across the globe and part of public expenditure has attributed to purchase of goods and services with great value to Kenyan development agenda (Makabira & Waiganjo, 2014). The general procurement function depends on strategic positioning in the services being offered in an organization. However, lack of proper

management in the adoption procurement practices can jeopardize the entire procurement process which can also lead to ineffectiveness hence exposing the organizations to potential risks (Amann, *et. al.*, 2014). The procurement strategies being utilized in Ministry of planning and national treasury has been branded with high level of corruption, incompetence staff, and inefficiency and this has in turn affected the service delivery (Karanja & Kiarie, 2015). These problems make the institutions vulnerable to the critical procurement problems (Hussein & Shale, 2014). With the current expenditure projection of 70 percent towards procurement together with increase in contribution of procurement function to profitability of organizations by over 25 percent, it can therefore be essential for public parastatals to adopt a systematic way of making decision on the type of procurement practice which contributes to achievement of goals and objectives of firms (Oyuke & Shale, 2014; Tukuta & Saruchera, 2015).

There have been researches done on the concepts under study. For instance, Masudin, *et. al.* (2018), sought to establish how procurement and management practices relate to performance of organizations in Indonesia and realized that automated procurement practices such as e-product and adoption of world class procurement practices enhanced performance of organizations. Their study further highlighted that proper inventory management enhances organizational performance. Islam (2015) researched on practices and challenges that exist in procurement of goods within the Railway Company in Bangladesh and established that procurement was faced with challenge of untimely supply of good/services, unavailability of products, and high consumption of products. In another study done in Ethiopia by Hamza, *et. al.* (2016) “established the factors that affect performance of procurement practices in Awassa Textile Share Company”. It was established that procurement planning, staff competence, and resource allocation positively influenced organizational performance.

Locally, a research done by Davis (2014) addressed the issue of procurement practices and their influence on delivery of services within “Kenya Power and Lighting Company Limited”. The findings of this research indicated that “procurement rules and regulations hindered procurement operations”. Procurement planning was also found not to take into consideration long term cost of ownership. Furthermore, Chegugu and Kibet (2017) did a research to established influence of “electronic procurement practices on organizational performance of public hospitals in the county government of Uasin Gishu” and established that e-tendering, e-invoicing, e-payment as well as e-banking improved efficiency of service delivery. In addition, Odero and Shitseswa (2017) carried out a research to establish how procurement practices affect performance of sugar manufacturing companies located in Western part of Kenya. Their study found out that procurement planning insignificantly influenced firm performance while staff competence was found to positively affect firm productivity.

The empirical studies reviewed revealed both conceptual and contextual gaps. Most of the researches carried out were focusing on procurement practices and organizational performance but they hardly addressed the aspect of service delivery in public corporations. The studies further produced mixed results as some procurement practices were found to affect organizational performance significantly while in other studies, they produced an insignificant effect. It was also established that none of the scholars’ focused on suppliers in the “ministry of national treasury and planning”. Thus, the present research attempted to address these gaps by answering a research question: how does strategic procurement practices influence service delivery in the “ministry of national treasury and planning” of Kenya?

1.3 Objective of the Research

The aim of the research was to establish the effect of strategic procurement practices on service delivery in the “ministry of national treasury and planning”.

1.4 Value of the Study

The research findings has contributed to the available literature of empirical studies carried on the concepts strategic procurement practices and delivery of service in organization. It therefore provided potential gaps which can be used by future researchers on the variables investigated in the Kenyan context as well as other countries. Academicians, scholars and researchers can as well benefit from the research through identification of further areas of research based on the outcomes of the current study.

The results provided in the study are of great value to the various public institutions since it has brought out key procurement practices which if adopted can enhance good relationship with suppliers within public entities. The managers of “ministry of national treasury and planning” can effectively follow and apply the recommendations made in this study in order to improve in service delivery. They are able to understand the need for good procurement practices government ministries.

This study contributed to the available knowledge which is beneficial to the government policy makers and regulators in the area of procurement. The “ministry of national treasury and planning” can as well help to better understand the potential challenges that comes along with the adoption of different procurement practices. This can benefit public organizations in devising ways to overcome the challenges. The government is able formulate policy and regulations that can assist state corporations to overcome such challenges.

The study has further contributed to the institutional theory as it gave the insight of institutional social structures, norms and expectations found within the Kenyan context and specifically, public sector. To add on that, the current research has a basis on the stakeholders' theory from which the study made a contribution by giving the knowledge on how government identified and compel employees and other organizations from various fields and departments of ministries and that of procurement firms to work towards the expectations of shareholders.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presented theoretical framework, empirical studies regarding research variables. The conceptual framework of research which was informed by literature review was also presented in this chapter. The a sub-section of summary of literature review was as well presented.

2.2 Theoretical Foundation

The study at hand was founded on the following theories; stakeholders' theory and institutional theory. The detailed discussions of these theories and their applicability to the present research have been discussed hereafter.

2.2.1 Institutional Theory

The Institutional theory by Scott (2004) looks into the deeper part of the social structures by taking into account the aspects of organizations such as norms, routines, rules, and schemes which accompanies guidelines and regulations of social behavior in organizations (Scott, 2009). Kock, Santalo and Diestre (2012) observe that firms in various economic settings have tendency of reacting in different ways to same challenges both in political, sociological, and economical factors which are experienced in institutional structure. Scott (2004) is of the view that the survival of firms in the current business competition, there is need for companies to follow the systems, belief, culture and rules that exist in the business environment. As a result of structure or procedures including the goods and services offered by the institutions tend to earn the organization legitimacy. Organizational activities and performance is partly dependent on the culture and norms of the industry in which the institution belong.

Public corporations in various ministries are supposed to adhere to functional rules, policies and regulations set by government. Public institutions strive to provide better services to citizens in various dockets. Through proper management of these parastatals, institutions are able to change their form and structure so that they can be more efficient. Efficiency of operations might need to be enhanced while addressing the concerns of interested parties like suppliers.

On the other hand, institutional theory has undergone some criticism. As much as institutional theory has dominated the researches on phenomena of macro-organizations, there still a threat of this theory being overstretched beyond the intended purposes that help in understanding the structures of structure of organizations (Suddaby, 2010). It is believed that this theory assumes passivity of organizations and has failed to respond to strategic behavior and the influential exercise within the inception of institutionalization (Barley, 2008). Institutional theory also delimits the organizations objectives to identify the existing full range of supplementary strategies in institutions which challenges demands and expectations of institutions (Green, Babb & Alpaslan, 2008).

2.2.2 Stakeholders' Theory

The stakeholders' theory was founded by Freeman in the year 1984. This theorist described stakeholder's concept as any individual or group who are affected or can affect the organization's achievement in relation to its objectives. Kaler (2002) gave two dichotomous views on stakeholders' theory, the first being the claimant definition and the second one was based on the influencer definition of what it is to be a stakeholder. In this case, the claimant could be the procurement firms' owners/directors and the influencers are the organizations' managers. On the other hand, Clarkson, (1995) described stakeholders as a person or set of individuals with right of ownership of an organization and its operations, past, present or future.

The theory of stakeholders has three major concerns. Firstly, the accuracy of description and the interaction between the organizations, stakeholders and managers; secondly, it takes into account the interests of stakeholder linking to instrumental power with assumption that managers desire to maximize the firms' objective functions; thirdly, it prescribes what managers ought to do. The dimensions can further be categorized into two approaches. First one being regrouping the instrumental and descriptive stakeholders' dimension, referred to as "analytical approach" of stakeholders' theory. Secondly, regrouping the metaphoric and normative dimensions referred to as the narrative approach (Donaldson & Preston, 1995).

Stakeholder theory shall benefit this study through identification and management of important disciplines in terms of effective management of ministries and procurement firms. The theory can also help organizations in "making decisions" related to planning strategies, to identify challenges and ways of solving them, as well as understanding the right people to make prospective changes to influence performance of the organizations. For this study, the key stakeholders are the government, employees, and administrative staff among others. The theory of stakeholder has been criticized to have a partial analysis of the relationship of business activity to the present organizational structure.

2.3 Strategic Procurement Practices

One of the tools applied by companies to remain competitive is strategic procurement which if positively affect employees can lead to better performance of an organization (Tukuta & Saruchera, 2015). Hassan (2012) explained that some organization have failed to recognize how new business paradigms have changed their procurement practices. In response to the change, management of government ministries specifically those in-charge of purchasing, have to

embrace the notions of good practices through application of the current procurement approaches (Baily, 2011).

These practices are approachable in three main dimensions namely, procurement functions on operation done internally; together with that of coordination of purchases done as well as developing and managing key suppliers, with effort of meeting or exceeding expectations of customers (Jibrin, *et. al.*, 2014). Kibet and Njeru (2014) posited that good plans led to effectiveness and efficiency and thus attainment of projected results. The research shall focus on the following strategic practices applied in procurement department in the “ministry of national treasury and planning”.

2.3.1 Procurement Planning

Procurement plan can be instrumental in implementation of a budget prepared and resource allocation and it helps to avoid or limit excess budgets, thus ensuring that procurements process are not carried out without adequate funds (Ogwel, Iravo & Lagat, 2016). Kavuva and Ngugi (2014) explained that public sectors in both “developed and developing nations” focus on efficient and effective procurement planning in service delivery. Better planning in procurement is a precondition for successive procurement activities since any error made in the entire process can lead to wider implications towards performance in procurement departments/entities.

According to Mamiro (2010), “poor planning and management was found to be a challenge facing public procurement process which included needs that were not well identified and estimated, unrealistic budgets, inadequacy of the skills of staff responsible for procurement and non-conformity to procurement plans.” James (2004) reiterated that planning that was properly developed and implemented could serve as an essential mechanism for the extraction,

distribution and allocation of resources. Kock, *et. al.* (2012) noted that poor procurement planning limits the development of economies and service delivery provided by a number of African countries. Shiamwama, *et. al.* (2014) stated that public organizations can enhance their operations and better service delivery through procurement planning. On other hand, Furlotti (2014) cited adequacy in public money being consumed by procurement hence millions and proper monitoring of government funds being misappropriated.

2.3.2 Staff Competence

Onyango (2014) reiterated that effectiveness and efficiency in procurement activities can well be achieved through competent staff and appropriate planning. Hamza, Gerbi and Ali (2016) stated that “competency is the knowledge and skills applied towards performance delivery and behavior required to get things done very well.” According to Karanja and Aketch (2013), the strategic practice of staff competency that focus on ability, capability, and other underlying personal features enable one to have sufficient skills and knowledge to perform better in their line of duty.

Appiah (2010) argued that low level of competence among procurement staff was a major setback to improving the system. The findings by Ogwel, Iravo and Lagat (2016) indicated that staff competencies had the ability to enhance performance in public procurement, thus there was the need to train employees continuously. The main indicators of staff competences involve training and orientation of freshly employed staff workers, and team work among staff in procurement department, among others (Wanyonyi & Muturi, 2015). Sultana (2012) postulated that “advancement in technology and changes being experienced in organizations have in turn made some potential and existing employers realize that success is reliant on the employees’ abilities and skills which can mean considerably and continuously investing in training and

development of employees.” The efficiency in procurement policies and regulations can be enhanced by level of experience and knowledge a staff in procurement department obtains (Mokogi, Mairura & Ombui, 2015).

2.3.3 Resource Allocation

Institutions allocate their resources to ensure sustainability and furthering of organization’s goals through commitment towards their business collaboration. Saastamoinen, *et. al.* (2018) proposed rules and guidelines in procurement network as an important aspect whose expectation work well in motivations of such collaboration. Lerro and Schiuma (2013) argued that the contemporary strategic business approach is changing from a monotonic prominence to financial asset management or tangible asset to diversity in concentrations which principally has comprised intellectual capital and intangible resources. This has been acknowledged to great extent and also been applied extensively for both academic and commercial purposes and that managing of the tangible resources is done concurrently with that of intangible assets (Solitander & Tidström, 2010).

Meena and Thakkar (2014) stated that insufficiency of resources in any given institution whether, non-profit or for profit, are challenged with the hurdle of decision of proper strategic projects to be executed and how much resources to be allocated to those projects. Thus, institutions should to select and identify the more viable and workable strategic projects which are cost-beneficial to enable an organization to optimize the usage of its resources. Therefore, the problems of strategic resource allocation can be addressed acquisition and application of a broader strategic management practices (Solitander & Tidström, 2010).

2.3.4 Contract Management

Contract management is a vital tool for all the procurement entities in public institutions since it helps in attaining of value for money (Trepe, 2011). Therefore, organizations within public sector is paramount as it ensures that that public funds should be put into good use and that those conducting businesses in public institutions are accountable to the effectiveness, efficiency and economical management of public resources (Athumani & Bisama, 2018). Contract administration is considered to have a noteworthy impact in managing contracts especially, in the aspects of quality, cost and delays (Köksal, 2011).

Shiamwama, *et. al.* (2014) posited that appointment of suppliers should be done on contract which should be based on merits and capability of procurement firms to supply. According to Keith, *et. al.* (2016), “detailed specification is necessary as it assists in identifying right quality goods required from the suppliers who are expected to bid against the specifications that have been given in the bid document.” Specifications, be it with simplicity or complexity, is influenced by the procurement nature. African public institutions can only advance if they adopt efficient procurement system (Hussein & Shale, 2014).

2.4 Measures of Service Delivery

Customer perspective can be great indicators and this include: customer retention, customer satisfaction and market share growth (Benington, 2011). Internal process perspective indicators will be new service introduction, response time, storage time, waste reduction. The learning and growth perspective indicators will include research and development, innovations, staff training, technology investment (Drezner, Drezner & Kalczynski, 2012). Service provision depends on speed, timely delivery (Hasnain, 2010).

Berry, et. al. (1991) develop a model of the two broad dimensions of service delivery as empathy and assurance. Zeithaml, et. al. (1990) and Parasuraman, et. al., (1985) further subdivided into five consolidated categories as the foundation of service quality measurement instrument (SERVQUAL) scale. They further reported that, despite of the service delivery dimensions being investigated, reliability was found to be the key aspect that comes before other dimensions like assurance, empathy, and responsiveness. The intangible dimensions are given least attention in service delivery (Drezner, et. al., 2012).

Service delivery is vested in presumption that business partners have the will of devoting great energy to the sustainability of their relationship. The commitment to service delivery should work towards maintaining the value of set procurement practices (Gakuu & Nyambura, 2014). The linkage between procurement practices and service delivery involves a network of members who work together towards achieving procurement objectives through making joint decisions, sharing information and sharing benefits that come about in order to satisfy customer needs (Kipngeno & Okello, 2015). Kock, *et. al.* (2012) suggested that the service delivery and effective collaboration should be pre-requisite for achievement of mutual goals through joint decision making, formulation of integrated policies information sharing of benefits and losses.

2.5 Empirical Literature Review

Islam (2015) researched on practices and challenges that exist in procurement of goods within the Railway Company in Bangladesh. This study was both quantitative and qualitative data was collected from a sample of 242 respondents operating in 242 locomotive fleets of Bangladesh railways. It was established that procurement was faced with challenge of uncertainty of good/services, unavailability of products, and high consumption of products. The context of this

research was on locomotive spare parts procurement in Bangladesh. In investigating a one decade of operationalization in public procurement law of Ghana's in the perspective of suppliers, Atiga and Azanlerigu (2015) relied on "a sample size of 204 registered suppliers" which was drawn from 8 Ghanaian regions. Their study revealed that there existed negative perceptions of suppliers towards the principles of efficiency, ethics, transparency, effectiveness as well as professionalism. However, after moderating with fairness, the supplier indicated positive perceptions.

In a different study done in Ethiopia by Hamza, Gerbi & Ali (2016) established the factors that affect "procurement performance in Awassa Textile Share Company". The study employed stratified sampling technique where strata involved top ranked management level, middle ranked management level and other staffs working in procurement departments who were involved in the entire process, functioning and making of decision related to procurement. This study was a census of 40 employees from whom data was gathered by a questionnaire as the main data collection tool. Their study discovered that procurement planning, staff competence, and resource allocation positively influenced organizational performance. Based on a sample of 78 suppliers, Kinoti (2013) carried out a research to establish how e-procurement had been adopted by Kenyan government parastatals with focus on the suppliers' perspective. The researcher used a questionnaire to collect primary data. Results indicated that there existed a significant relationship between capacity and propensity of e-procurement adoption. Strategic procurement practices focused on by this study include contract management, staff competence, procurement planning, and resource allocation. Independent variable is supplier perceptions towards procurement practices. The study shall estimate perception in terms of policies and procedures in procurement, cost of goods, payment methods as well as quality of products/services.

Masudin, Kamara, Zulfikarijah and Dewi (2018), sought determine “procurement and management practices influence organizational performance in Indonesia”. Their research relied on secondary data which was gathered from various journals articles and books. The information involved included information related to procurement practices and inventory management. They found out that automated procurement practices such as e-product and implementation of world class procurement practices enhanced performance of organizations. Kimandi and Senelwa (2017) did a study investigating the relationship between strategic procurement practices and firm performance among the “technical vocational education training institutions” (TVETs) in Kenya with a focus on “Thika technical training institute”. They used questionnaire to collect primary data from a sample size of one hundred and thirty-seven respondents. The results show that records management practices significantly influenced firm performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section dealt with description of the methods and procedures that were employed in the quest to examine the topic under investigation.

3.2 Research Design

The descriptive research design was adopted by the current study as it helped in collecting factual information on the situation being studied. Saunders, et. al. (2016) argued that this kind of research design enabled the researcher to collect quantitative data to help in achievement of the research objectives (Saunders, Lewis & Thornhill, 2016). This was essential in enabling estimation of the relationship existing between strategic procurement practices and service delivery in the state department of planning within the “ministry of national treasury and planning”.

The method was adopted by this study since it had a unified logic and that the rules of inferential statistics. It was also consequence oriented, problem centered and pluralistic (Zikmund, Babin, Carr & Griffin, 2013). The researcher required such approaches because of the dynamics of the target population under investigation (Sedgwick, 2014). Therefore, this data assisted in description of the patterns of variables under study.

This research design was suitable for this study as it entailed investigation of attitudes, perceptions and opinions of the respondents. The research design was used as structure to enable the researcher to follow in the process of collecting and analyzing of data in a way that combines

the relationship of variables under investigation (Mugenda & Mugenda, 2012). This type of research design also helped the current study in identification of patterns of change in datasets, description of the progression line, quantifying trends in service delivery among the public corporations, testing of theories, as well as justification of interventions towards policy formulations to enable firms become competitive.

3.3 Population of the Study

Cox (2015) described population of the research as that unit of analysis that researchers focus on in generalization of the study findings. Kothari (2011) referred target population as the total of items about which information is sought. Therefore, the target population for this study comprised of all the 1,360 suppliers in the “ministry of national treasury and planning” as at December 2018.

3.4 Sampling Design

For the present study therefore, a sampling frame was constructed from the suppliers of the “ministry of national treasury and planning”. Israel (2009), Zikmund, *et. al.* (2013), and Mugenda and Mugenda (2012) recommended that for a sample size to be termed as sufficient for data collection and analysis, it should then range from 10 to 50 percent. For that reason, the current research employed use of 10% as a reasonable margin of arriving to a sample size of 136 respondents drawn from the total of 1,360 suppliers in the “ministry of national treasury and planning”.

This sample size deemed fit since it was manageable to respond to research questionnaire. Therefore, the current study employed use of purposive sampling technique to pick the respondents where only firms and individuals supplying in the “ministry of national treasury and

planning” were taken as key respondents to research questionnaire. This sampling technique was believed to be representative as it ensured that the study gets right information from identified groups or individuals that is required for data analysis (Shieh, 2010).

3.5 Data Collection

This study was quantitative and collected primary data through use of a questionnaire (see appendix II) as this was the best way to get the respondents opinions. The Data collection instrument helped in investigating the objectives of the research by getting responses from respondents. The common tools used to collect data in social sciences include questionnaires, interview schedules, standardized tests and observational forms (Cox, 2015).

Opinions of the respondent were captured through use of structured questions. Open ended questions was also included so as not limit the respondents on the range of answers to be given. The research instruments included six section namely organizations’ background information in the first section followed by the questions on the aspect of contract management in the second section. Part three comprised of questions of staff competence, part four of the research questionnaire addressed the aspect of procurement planning, part five of the questionnaire involved questions on the aspect of resource allocation, while part six of the questionnaire entailed questions on service delivery. The study employed use of research assistants in the process of data collection. They were informed of the aim of the study, thereafter, taken through the research instrument to understand the aspects being investigated before embarking on the process of data collection. The copies of questionnaire were distributed through the use of drop and pick method. For those who be very far, the researcher shall employ use of e-mail addresses and phone calls to reach them and explain the purpose of the study and what is required of them.

3.6 Data Presentation and Analysis

Data obtained from the field was converted into useful information using quantitative description. Therefore, data analysis employed use of descriptive and inferential statistics. Where, descriptive statistics was used in estimating the magnitude of the variables under study. This involved use of means, medians, and modes, while variability measures entailed use of standard deviations, variances, minimums and maximums numbers (Saunders, Lewis & Thornhill, 2007). Its presentation was in terms of percentage tables, means, standard deviations, and graphs. While correlation analysis and was used to estimate the association between the selected variables of the study. The study further conducted regression analysis to establish the effect of contract management, staff competence, procurement planning and resource allocation on service delivery in the “ministry of national treasury and planning”. The following regression equation was followed in the analysis.

$$SD = \beta_0 + \beta_1 CM_1 + \beta_2 SC_2 + \beta_3 PP_3 + \beta_4 RA_4 + \varepsilon$$

Where SD is Service delivery, β s = Coefficients of the regression model, CM = Contract management, SC = Staff competence, PP = Procurement planning, RA = Resource allocation, and ε = Error Term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS, INTERPRETATIONS AND DISCUSSION OF THE RESULTS

4.1 Introduction

The initial aim of this study was to establish the effect of strategic procurement practices on service delivery in the “ministry of national treasury and planning”. The independent variables tested in this study were contract management, staff competence, procurement planning, and resource allocation. The study used service delivery as the dependent variable. Therefore, this chapter comprises of the following subsection sections: response rate, background information of the organization, contract management, staff competence, procurement planning, resource allocation as well as the subsection regression statistics used to test the effect.

4.2 Response Rate

Originally, the expectations of this study were collecting data from one hundred and thirty-six (136) suppliers in the “ministry of national treasury and planning”. Nevertheless, the researcher managed to collect data from ninety-four (94) respondents as illustrated in Table 4.1.

Table 4.1: Distribution of Response Rate

Responses	Frequency (n)	Frequency (%)
Responses	94	69.1
Non-responses	42	30.9
Total	136	100

This formed a response rate of 69.1%, while those who did not respond were forty-two (42) and this translates to 30.9%. The reason for non-response rate was due to the shortest time given by researcher to respond to questionnaire given that suppliers of the “ministry of national treasury and planning” are found in one entity. Nonetheless, based on Mugenda and Mugenda (2012) recommendations, the response rate of this study is deemed fit and sufficient for analysis.

4.3 Background Information of the Organization

This section is comprised of various sub-sections with information regarding the supply firm’s years of operation, registration of supply firms under AGPO, categories of suppliers, firm size, and information on supply firm registration by “ministry of national treasury and planning”.

4.3.1 Supply Firm’s Years of Operation

The study ascertained to know the years of which supply firms have been in operation and the responses are as given in Table 4.2.

Table 4.2: Supply Firm’s Years of Operation

Years	Frequency (n)	Percent (%)
Less than 2 years	25	26.6
Between 2 and 5 years	35	37.2
Between 6 and 10 years	23	24.5
Between 11 and 15 years	8	8.5
Over 15 years	3	3.2
Total	94	100

The study established that majority (37.2%) of the supply firm in the “ministry of national treasury and planning” have been in operation for a period ranging from two to five years. Approximately, 26.6% of the respondents disclosed that their firms had operated for a period of less than one year. Additionally, around 24.5% of the respondents revealed that their respective

supply firms had been operating for a duration ranging from six to ten years. While the supply firms which were found to have operated for a period of between eleven and fifteen years and those who had operated for over 15 years were represented by 8.5% and 3.2% respectively. This could be an indication that supply firms in the “ministry of national treasury and planning” have operated long enough given experience in the number of years they have in their operations. Therefore, in better position to understand the procurement practices.

4.3.2 Registration of Supply Firms under AGPO

On the question enquiring to establish whether the supply firms are registered under Access to Government Procurement Opportunities, the results are as stated in Table 4.3.

Table 4.3: Registration of Supply Firms under AGPO

Category	Frequency (n)	Percent (%)
Yes	75	79.8
No	19	20.2
Total	94	100

The findings show that overwhelming majority of the respondents with a representation of 80% were found to be registered by AGPO. Contrary to that, about 20% of them revealed that they did not have knowledge of whether their respective supply firms had been registered with AGPO.

4.3.3 Categories of Suppliers

The results on the category in which their supply firms belonged are as given in table 4.4.

Table 4.4: Categories of Suppliers

Category	Frequency (n)	Percent (%)
People with disability	15	16.0
Women	29	30.9
Youth	27	28.7
Open tender for all	23	24.5
Total	94	100

Based on the findings, it can be construed that most of the supply firms with a representation of 30.9% were found to be in the category of women. This was followed by those who belonged youth with a representation of 28.7%. Furthermore, open tender for all registered a representation of 24.5%. While those who fell in category of people with disability were represented by 16 percent. The findings therefore indicate that all the categories of supply firms are well represented in the “ministry of national treasury and planning”.

4.3.4 Contracts Won in Past Two Years

On the question which sought to establish the number of contracts won by supply firms in the past two years, the results are as indicated in Table 4.5.

Table 4.5: Contracts Won in Past Two Years

Number of Employees	Frequency (n)	Percent (%)
Less than 2	36	38.3
Between 2 and 5	46	48.9
Between 5 and 10	8	8.5
Above 10	4	4.3
Total	94	100

From the findings illustrated in the Table 4.5, it can be deduced that almost a half of the supply firms with a representation 48.9% were found to have won between two and five tenders in the past two years. About 38.3% of supply firm in the “ministry of national treasury and planning” were found to have won less than two contracts in the past two years. While those which were found to have won between five and ten contracts and those who had won over ten contracts were represented by 8.5% and 4.3% respectively. This could be an indication that the “ministry of national treasury and planning” place less advertisements in terms of tendering and contracts to supply good and services.

4.3.5 Firm Size

The research sought to establish the size of supply firms under investigation in terms of number of employees and the output are as given in Table 4.6.

Table 4.6: Firm Size

Number of Employees	Frequency (n)	Percent (%)
Micro (1 – 9 employees)	69	76.7
Small (10 – 49 employees)	21	23.3
Medium (50 – 99 employees)	0	0.0
Large (Over 100 employees)	0	0.0
Total	90	100

The findings revealed that overwhelming majority (76.7%) of the respondents indicated that their respective supply firms had hired between 1 and 9 employees. In addition, about 23.3 percent of them stated that their supply firms had a total number of employees ranging from 10 to 49. On the other hand, none of them employed above 50 employees. These findings show that all the supply firms in the “ministry of national treasury and planning” are either small or micro businesses.

4.3.6 Supply Firm Registered by Ministry of National Treasury and Planning

On question regarding the status of registration of supply firm by “the ministry of national treasury and planning,” the results are as given in Table 4.7.

Table 4.7: Registration of Supply Firm

Category	Frequency (n)	Percent (%)
Yes	86	91.5
No	8	8.5
Total	94	100

It can be seen that overwhelming majority with a representation of 91.5% of supply firms under investigation revealed that they had undergone registration process in the ministry. On contrary, few supply firms represented by 8.5% of the respond rate were found not to be registered by the ministry, but they had supplied probably in cases of emergencies.

4.4 Contract Management

This sub-section has responses on reflecting award of procurement contracts in transparency manner, contract management in the ministry of “national treasury and planning” as well as mandatory requirements for procurement contracts.

4.4.1 Awarding of Procurement Contracts based on Transparency

The research sought to estimate the extent to which supply firms had experienced transparency in award of “procurement contracts” and the responses are as point out in Table 4.8.

Table 4.8: Awarding of Procurement Contracts based on Transparency

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Transparency in award of procurement contracts	94	1.00	5.00	3.76	1.06

The results indicated that transparency in award of procurement contracts in the “the ministry of national treasury and planning” was experienced to large extent given a mean score of 3.7553 (Standard deviation = 1.06444).

4.4.2 Contract Management in the Ministry of National Treasury and Planning

On indication of level at which the interviewees agreed with various statements on contract management in the ministry and the responses are as provided in Table 4.9.

Table 4.9: Contract Management in the Ministry

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
The ministry understands and follows procurement policies related to contract management as guided by the PPAD Act 2015.	94	1.00	5.00	4.22	0.93
The procurement department in the ministry has good filing system where they can monitor performance and deliverables.	94	2.00	5.00	3.90	0.96
Renewal of suppliers’ contracts are done on a timely manner	94	1.00	5.00	3.41	0.85
The ministry communicates on changes in contracts and variations.	94	1.00	5.00	3.30	0.98
The ministry has a designated contract administrator.	94	1.00	4.00	2.46	1.08

It can be deduced that the “the ministry of national treasury and planning” was found to understand and follow procurement policies related to contract management as guided by the PPAD Act 2015 to a large extent given a mean score of 4.2234 (Standard deviation of 0.92926). Another major aspect observed in the ministry was that the procurement department in the ministry was found to have good filing system which enabled them to monitor performance and deliverables (Mean = 3.8936, SD = 0.96).

Renewals of suppliers’ contracts being done on a timely manner was to a moderate supported with a mean score of 3.4149 and a standard deviation of 0.84764. The findings further show that the “the ministry of national treasury and planning” communicated on changes in contracts and variations to a moderate extent (Mean = 3.2979, Standard deviation = 0.98188). On other hand, to small extent the ministry was found to have designated contract administrators as it provided a mean score of 2.4574 (st. dev. = 1.08425. This has implication that contracts management at the “the ministry of national treasury and planning” is done majorly through understanding and following of procurement policies related to contract management as guided by the PPAD Act 2015, and the aspect of procurement department having good filing system which enable them to monitor performance and deliverables.

4.4.3 Mandatory Requirements for Procurement Contracts

The responses on mandatory requirements which “the ministry of national treasury and planning” follow when awarding or renewing procurement contracts of supply firms are provided in Table 4.10.

Table 4.10: Mandatory Requirements for Procurement Contracts

Factors	Followed	Not followed
Compliance and Legislation	87.2%	12.8%
ISO Certification	81.9%	18.1%
Legal awareness	74.5%	25.5%
Packaging Safety	44.0%	56.0%
Commercial Structure Application	37.0%	63.0%
Corporate & Social Responsibility	64.9%	35.1%

The study findings revealed that Majority of respondents (87.2%) cited that the ministry followed the requirement of compliance and legislation, while 12.8% they do not follow that requirement. In relation to ISO Certification as a mandatory required, 81.9% of the supply firms acknowledged that it is followed by the ministry while 18.1% of the respondents stated that the ministry does not follow it. About 74.5% of the respondents confirmed that the ministry where they supply good and services observed the legality of supply firms unlike 25.5% who disagreed. The aspect of corporate and social responsibility was followed as advocated by 64.9% of the respondents. On the other hand, packaging safety was not followed (56.0%), likewise, commercial structure application was not much focused on by ministry when awarding contracts as backed up by 63.0% of respondents. The results therefore, means that the “the ministry of national treasury and planning” mainly consider supply firms to be compliant and legislated, ISO Certified, legal aware, and to observe the aspect of corporate and social responsibility.

4.5 Staff Competency

The section of staff competency comprised of sub-sections on extent of staff competency and that of measures taken to supply firms to increase efficiency and competency of the staff.

4.5.1 Extent of Staff Competency

Table 4.11 has feedback on the extent of staff competence.

Table 4.11: Extent of Staff Competency

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Staff Competency	94	2.00	5.00	3.98	0.76

The output show that to a large extent, procurement staff were found to be competent given a mean score of 3.9787 (St. dev. = 0.76170). This means that the supply firms in the “ministry of national treasury and planning” have adequate skills and knowledge of procurement.

4.5.2 Measures Taken to Increase Efficiency and Competency of the Staff in the Ministry of National Treasury and Planning

Furthermore, the research sought to find out some of the measures taken to increase efficiency and competency of the procurement staff. The results are as given in the Table 4.12.

Table 4.12: Measures Taken to Increase Efficiency and Competency of the Staff in the Ministry of National Treasury and Planning

Number	Frequency (n)	Percent (%)
Employing based on merit	17	12.6
Training staff members on new trends	41	30.4
Having an effective procurement system	35	25.9
Allocating specific amount of workload	23	17.0
Rewarding and motivating hard working employees	19	14.1
Total	135	100

It can be construed that majority of the supply firms trained their staff members on new trends (30.4%). This was followed by organizations having an effective procurement system (25.9%). About 17% of the respondents stated that their respective firms allocated specific amount of workload. However, those felt that their respective supply firms rewarded and motivated hard working employees registered 14.1%, and firms employing based on merit had a representation of 12.6%. This has indication that efficiency and competence of staff is increased through training staff members on new trends and having an effective procurement system.

4.6 Procurement Planning Practices

The research ascertained the degree of respondents' agreement with the various statements related to procurement planning practices. The responses on procurement planning are as given in the Table 4.13.

Table 4.13: Procurement Planning Practices

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Procurement planning has resulted in saving time and money.	92	2.00	5.00	3.73	0.83
The ministry carries out market survey before allocating a budget/funds in the procurement plan.	92	2.00	5.00	3.55	0.88
Procurement planning promotes transparency and predicts purchase and supply process.	92	2.00	5.00	3.54	0.89
The ministry communicates the procurement method to be used as incorporated in the procurement plan.	92	1.00	5.00	3.00	1.44
The ministry involves suppliers while formulating a procurement plan by debriefing.	92	1.00	5.00	2.14	1.14

The respondents agreed that procurement planning had resulted in saving time and money (Mean = 3.7283, Standard deviation 0.82679). This was followed by aspect of the ministry carrying out market survey before allocating a budget/funds in the procurement plan which was practiced to a moderate extent given a mean score of 3.5543 and a standard deviation of 0.88161. Another practices of which the respondents agreed to it was that procurement planning enhanced the transparency and predictability of the procurement process (Mean = 3.5435).

The respondents moderately agreed with statement that the “the ministry of national treasury and planning” communicated the procurement methods to be used as incorporated in the procurement plan (Mean = 3.0000). However, they slightly agreed with the statement that the ministry involved suppliers while formulating a procurement plan through debriefing (Mean = 2.1413). This could imply that procurement planning helps in saving time and money and the “the ministry of national treasury and planning” always carry out market survey before allocating a budget/funds in the procurement plans.

4.7 Resource Allocation

In different aspect, the study resolved to ascertain the degree of the respondents’ agreement with the different statements addressing the issue of resource allocation in procurement firms. The feedback are given in Table 4.14.

Table 4.14: Resource Allocation

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
The ministry budget accounts and gives equal opportunities to all groups i.e. people with disability, youth, women, and open to all	92	1.00	5.00	3.46	0.95
The ministry releases funds on time after invoices are sent	92	1.00	5.00	3.22	1.22
The ministry takes into consideration the size of procurement firms in awarding contracts	92	1.00	5.00	2.98	1.02
The ministry has adequate resources to procure goods, services, works and consultancy services	92	1.00	5.00	2.65	0.82

The findings indicated that the respondents moderately agreed (Mean = 3.4565, Std = 0.95403) with the statement that the ministry budget accounts and gives equal opportunities to all supply groups including people with disability, youth, women, and open to all. Similarly, the supply firms neither agreed nor disagreed with the phrase that the ministry releases funds on time after invoices are sent (Mean = 3.2174, Standard deviation = 1.22094). The respondents slightly agreed with the statements that the ministry takes into consideration the size of procurement firms when awarding contracts (Mean = 2.9783, Std = 1.01611). Moreover, the feedback on the aspect of the ministry having adequate resources to procure goods, services, works and consultancy services, was slightly agreed to (Mean = 2.6522, Std = 0.81786). The results have implication that the ministry budget is accounted for and all groups including people with disability, youth, women, and open to all are given equal opportunities in award of contracts.

4.8 Service Delivery

Ultimately, the research inquired to know the degree of agreement with the statements concerning service delivery of procurement firms. The magnitude was measured through use of

a likert scale of 1 – 5 where 1 represented not at all, 2 signified slightly agree, 3 was for neither agree nor disagree, 4 meant agree and 5 represented strongly agree as shown in Table 4.15.

Table 4.15: Service Delivery

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
The ministry awards suppliers with certificate of completion or issues recommendation letters.	90	1.00	5.00	3.57	1.06
The ministry strives to maintain and manage good relationship with suppliers.	90	1.00	5.00	3.44	1.05
The ministry processes payments to suppliers as per time frames agreed in the contract.	90	1.00	5.00	3.37	1.10
The ministry has an inspection and acceptance committee which ensures goods, works and services have been received and complaints made urgently.	90	1.00	5.00	3.34	1.14

The findings indicated some level of agreement with the statement that the ministry awards suppliers with certificate of completion or issues recommendation letters given a mean score of 3.5667 and a standard deviation of 1.06053. The supply firms neither agreed nor disagreed with the statement that the “the ministry of national treasury and planning” strived to maintaining and managing good relationship with suppliers (Mean of 3.4444 and Standard deviation of 1.05053). Furthermore, they neither agreed nor disagreed with aspect that the ministry normally process payments to suppliers as per time frames agreed in the contract (Mean = 3.3667, SD = 1.09596). On the same note, the respondents moderately agreed to a statement that the ministry had put in place an inspection and acceptance committee which ensures goods, works and services have been received and complaints made urgently (Mean = 3.3444, Standard deviation = 1.14324). It

has implication that services well delivered are appreciated through awards of certificate of completion or issuance of recommendation letters to suppliers.

4.9 Regression on the Effect of Strategic Procurement Practices and Service Delivery

The study further carried out regression analysis where the results on model summary was determined based on the R squared, Analysis of Variance (ANOVA) results are as well given where *F*-test and *p* – value (Sig) were used to establish the joint significance of all coefficients. Moreover, the regression model provided the coefficients of variables together with *t* – tests and *p* – values which estimated the coefficients’ significance level for each independent and control variables on dependent variable as indicated below.

Regression analysis was done to establish the effect of strategic procurement practices on service delivery and this followed the equation below:

$$SD = \beta_0 + \beta_1CM_1 + \beta_2SC_2 + \beta_3PP_3 + \beta_4RA_4 + \varepsilon$$

Where SD is Service delivery, β_s = Coefficients of the regression model, CM = Contract management, SC = Staff competence, PP = Procurement planning, RA = Resource allocation, and ε = Error Term

Table 4.16: Summary of the Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.52 ^a	.27	.22	.96
a. Predictors: (Constant), contract management, staff competence, procurement planning, resource allocation				

The summary results given in Table 4.16 indicate that the regression model provided a combined correlation R-value of .52 and an R squared value of .27. This indicates that the construct of contract management, staff competence, procurement planning, resource allocation together, have ability of explaining 27% of variation in service delivery.

Table 4.17: ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.66	4	5.67	6.18	.00 ^b
	Residual	62.36	68	.92		
	Total	85.01	72			
a. Dependent Variable: Service delivery						
b. Predictors: (Constant), contract management, staff competence, procurement planning, resource allocation						

The output of ANOVA shown in Table 4.17 gave a regression sum square of 22.66 and a slightly higher residual sum square of 62.36 with a mean squares of 5.66 for regression and 0.92 for residual. With an *F* – statistics of 6.18 and a significant *p* - value of 0.00, the model implies that all the independent variables used in this study were acceptable and fit in determining the dependent variable and therefore an indication that the study should reject any null hypothesis that contract management, staff competence, procurement planning, resource allocation do not influence service delivery since the error we make by saying so, is <0.5.

Table 4.18: Results of Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.05	0.78		1.35	0.18	0.51	2.61
Contract management	0.54	0.13	0.46	4.07	0.00	0.28	0.81
Staff competence	0.39	0.17	0.27	2.28	0.03	0.73	-0.04
Procurement planning	0.23	0.14	0.19	1.70	0.09	0.04	0.50
Resource allocation	0.33	0.14	0.25	2.31	0.02	0.05	0.61

a. Dependent Variable: Service Delivery

Moreover, the model gave estimations on the effect of individual aspects of independent variables under investigation and the findings of the regression coefficients are as illustrated in Table 4.18. The estimations on coefficients revealed that contract management significantly affect service delivery since this variable provided a positive beta value of 0.54 accompanied by a strong t – value of 4.07 and supported by *p* – value of 0.000. Staff competency had a positive influence towards service delivery given a beta value of 0.39 ($t = 2.281, p = 0.03$).

Likewise, the results show that an increase in resource allocated increase chances of improving service delivery ($\beta = 0.33, t = 2.31$ and $p = 0.02$). On the opposite, procurement planning seemed not to have a significant effect on service delivery since it gave a coefficient value of 0.23 ($t = 1.70$) and a slightly weak *p* – value of 0.09. An implication that service delivery is influenced by contract management, staff competence and resource allocation.

4.10 Discussion of the Results

The study has established that contract management affected service delivery significantly. The revelation concurs with the findings of Shiamwam et. al. (2014) that appointment of suppliers on contract based on merits and capability of procurement firms to supply has higher chances of improving service delivery. Staff competency positively affected service delivery significantly. The findings concurs with that of Ogwel, Iravo and Lagat (2016) whose findings revealed that staff competencies had the ability of enhancing performance in public procurement. In addition, a study by Appiah (2010) indicated that low level of competence among procurement staff was a major setback to the improvement of a procurement system.

The results further indicated that an increase in resource allocated increase chances of improving service delivery. They concur with that of Hamza, Gerbi and Ali (2016) who discovered that procurement planning, staff competence, and resource allocation positively influenced organizational performance. Furthermore, Kimandi and Senelwa (2017) results show that proper resource allocation significantly influenced firm performance. In contrast, procurement planning did not affect service delivery significantly. This results are contrary to that of Kavuva and Ngugi (2014) who found out that planning in procurement is a precondition for successive procurement activities since any error made in the entire process can lead to wider implications towards performance in procurement departments/entities. However, Kock, *et. al.* (2012) found out that poor procurement planning limits the development of economies and service delivery provided by a number of African countries.

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the study summary of the findings based on descriptive statistics and inferential statistics. Conclusions are also made with focus on the results of the research as well as suggestion of recommendations to be considered by the relevant authorities.

5.2 Summary of Study Findings

The main goal of this research was to establish the effect of strategic procurement practices on service delivery in the “the ministry of national treasury and planning”. The study focused on four main variables namely, contract management, staff competence, procurement planning and resource allocation, while dependent variable was service delivery.

The research had high response rate where majority of the supply firms in the “the ministry of national treasury and planning” were found to have been in operation for a period ranging from two to five years. The findings indicated that overwhelming majority of the respondents were found to be registered by AGPO. The study established that all the categories of supply firms are well represented in the “the ministry of national treasury and planning”. Almost a half of the supply firms were found to have won between two and five tenders in the past two years. These findings show that all the supply firms in the “the ministry of national treasury and planning” are either small or micro businesses. The procurement firms under investigation were found to be registered by the “the ministry of national treasury and planning”.

The results suggested that transparency in award of procurement contracts in the “the ministry of national treasury and planning” was being experienced to large extent. It was construed that the “the ministry of national treasury and planning” was found to understand and follow procurement policies related to contract management as guided by the PPAD Act 2015 to a large extent. Another major aspect observed in the ministry was procurement department having good filing system which enabled them to monitor performance and deliverables. The study findings have revealed that majority of respondents cited the ministry follow the requirement of compliance and legislation, legality of supply firms, corporate and social responsibility as well as that of ISO Certification as mandatory requirements. However, the requirement of packaging safety and commercial structure application were not followed much by ministry when awarding contracts.

The output showed that to a large extent, procurement staff were found to be competent. Many of the supply firms trained their staff members on new trends. The firms have effective procurement systems. The respondents agreed that procurement planning had resulted in saving time and money. The ministry was found to carry out market survey before allocating a budget/funds in the procurement plan. Furthermore, the findings indicated that the ministry budgeted accounts and gave equal opportunities to all supply groups including people with disability, youth, women, and open to all. More so, it was discovered that the ministry of national treasury and planning issues recommendation letters and awards suppliers with certificate of completion

The results indicated that the constructs of contract management, staff competence, procurement planning, resource allocation, together, had ability of determining variation in service delivery. The model revealed that all the predictor variables of the final model seem to be acceptable and

fit in determining the dependent variable and therefore an indication that the study reject any null hypothesis that contract management, staff competence, procurement planning, and resource allocation jointly do not influence service delivery significantly. The findings on coefficients indicated that service delivery is positively influenced by contract management, staff competence and resource allocation. On other hand, procurement planning practices did not significantly affect service delivery.

5.3 Conclusion

On basis of the results provided in chapter four, it evident that strategic procurement practices influenced service delivery of organizations positively. The study established that contract management affected service delivery positively. The linkage existing between procurement practices and delivery of service involves various management practices and network of members who work together towards achieving procurement objectives through making joint decisions, sharing information and sharing benefits that come about in order to satisfy customer needs.

The research also found out that staff competence impacted the service delivery of procurement firms positively. Appointment of suppliers' contract based on staff competence, merits and capability of procurement firms to supply can ensure good service delivery. Moreover, resource allocation was found to be a significant factor in determining service delivery among procurement firms in the "ministry of national treasury and planning". Institutions allocate their resources to ensure sustainability and furthering of organization's goals through commitment towards their business collaboration. Service delivery is vested in presumption that business partners have the will of devoting great resource to the sustainability of their relationship.

5.5 Recommendations Based on the Study Findings

From the research findings realized in chapter four, it can be recommended that:

The management of procurement firms are advised to formulate and use viable and workable policies and guidelines to ensure proper service delivery.

This study suggests that procurement firms should employ competent staff based on qualification, merits, experiences and capabilities of individuals.

The study recommends that institutions should allocate enough resources to ensure sustainability to further achieve their goals and objectives.

5.6 Suggestion for Further Research

This research focused on establishing the effect of strategic procurement practices on service delivery in the “ministry of national treasury and planning”. The research focused on the following variables: contract management, staff competence, procurement planning, and resource allocation in determining service delivery. The study therefore, suggests that a similar research should be done based on different variables other than those used in this study to establish how service delivery would be improved.

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APPENDIX

APPENDIX I: QUESTIONNAIRE OF THE STUDY

PART ONE: BACKGROUND INFORMATION OF THE ORGANISATION

1. **How many years have your supply firm been in operation?**

Less than 2 years

Between 2 and 5 years

Between 6 and 10 years

Between 11 and 15 years

Over 15 years

2. **Is your organization registered under certification of (AGPO)?**

Yes No

3. **In which category does your supply firm belong?**

People with disability Women Youth

Open tender for all Others

4. **How many contracts have this firm won with the “ministry of national treasury and planning” in the past 2 years?**

Less than 2

Between 2 and 5

Between 5 and 10

Above 10

5. **In which category does your organization belong in terms of business size?**

- One – nine employees (Micro Business)
- Ten – forty nine employees (Small Business)
- Fifty – ninety nine employees (Medium Business)
- Over 100 employees (Large Business)

6. **Is this firm currently registered as a supplier with the “ministry of national treasury and planning”?**

- Yes No

PART TWO: CONTRACT MANAGEMENT

7. **To what extent do you think procurement contracts awarded by the “ministry of national treasury and planning” are done in a transparent manner?**

1	2	3	4	5

8. **To what extent do you agree with the following statements as far contract management in the ministry is concerned?**

Statement	1	2	3	4	5
The ministry has a designated contract administrator.					
Renewal of suppliers’ contracts are done on a timely manner?					
The ministry communicates on changes in contracts and variations.					
The procurement department in the ministry has good filing system where they can monitor performance and deliverables.					
The ministry understands and follows procurement policies related to contract management as guided by the PPAD Act 2015.					

9. Which among the following mandatory requirements does the “ministry of national treasury and planning” follow when awarding or renewing your procurement contracts?

Factors	Followed	Not followed
Compliance and Legislation		
ISO Certification		
Legal awareness		
Packaging Safety		
Commercial Structure Application		
Corporate & Social Responsibility		

PART THREE: STAFF COMPETENCE

10. In your own opinion, do you think your firm has adequate staff to handle procurement activities effectively?

Yes [] No []

10. If yes, to what extent do you think the staff working at the ministry of national treasury and planning are competent?

1	2	3	4	5

11. What measures should be undertaken by the ministry to increase efficiency and competency of the staff?

Employing based on merit []

Training staff members on new trends []

Having an effective procurement system []

Allocating specific amount of workload []

Rewarding and motivating hard working employees []

Others (please specify)

.....

.....

PART FOUR: PROCUREMENT PLANNING

12. State the degree of which you agree with the statements that follows in relation to procurement planning practices.

Statement	1	2	3	4	5
Procurement planning has resulted in saving time and money.					
Procurement planning promotes transparency and predicts purchase and supply process.					
The ministry carries out market survey before allocating a budget/funds in the procurement plan.					
The ministry involves suppliers while formulating a procurement plan by debriefing.					
The ministry communicates the procurement method to be used as incorporated in the procurement plan.					

PART FIVE: RESOURCE ALLOCATION

13. State the degree of agreement with the following statements related to resource allocation in your procurement firm.

Statement	1	2	3	4	5
The ministry takes into consideration the size of procurement firms in awarding contracts					
The ministry checks to ensure that goods and services supplied have the correct value as per quotations made					
The ministry has an effective system used to clear invoices and regulate the payment of supplies made					
Procurement firms supply based on terms of references given by the ministry					
The “ministry of national treasury and planning” has effective systems of detecting fraud in tenders awarded					

PART SIX: SERVICE DELIVERY

14. State the degree of agreement with the following statements related to service delivery in your procurement firm.

Statement	1	2	3	4	5
The ministry processes payments to suppliers as per time frames agreed in the contract.					
The ministry has an inspection and acceptance committee which ensures goods, works and services have been received and complaints made urgently.					
The ministry awards suppliers with certificate of completion or issues recommendation letters.					
The ministry strives to maintain and manage good relationship with suppliers.					

THANK YOU FOR YOUR TIME