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PROCUREMENT PRACTICES AND THE PERFORMANCE OF PARASTATALS IN KENYA

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

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ABSTRACT

In today's dynamic global competitive business environment, technology-based service is no longer an afterthought rather it is a must for public and private organizations. It has become necessary for companies to provide their customers with cost-effective total solution and better customer satisfaction with innovative ideas and methods. Adoption of effective procurement practices is one such approach to gain competitiveness and increase organizational performance. The objective of the study was to establish the Effects of procurement practices on organizational performance of Parastatals in Kenya. The research adopted a descriptive research design. Data was collected using a self-administered questionnaire that was distributed to 76 senior and middle level managers at the firms. The finding of the study was that procurement is both a driving force to competitive strategy selection and an important resource to achieving improved organizational performance. It was found that if procurement practices are employed effectively, then is expected to improve firm-customer relationship, preserve the environment, motivate and improve the coordination of staff. One limitation of the study is that the researcher measured only the operational side of procurement and considering the early stages of procurement implementation on the organizations. Further research could extend on measuring the strategic level of procurement and analyze the impact of electronic procurement at the strategic level.

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ONE: INTRODUCTION

1.1 Background

The present day business environment is characterized by an expanding number of business competitors, both in local and global trades. SCM have been touted as improving the performance of organizations who participate in them (Giunipero et al., 2008).As a result, managers not only have to re-establish their companies to produce higher-quality products and services, decrease waste, respond rapidly to the market, but also to handle their supply chain management (SCM) efficiently. Carter and Narasimhan (2006) suggest that SCM and purchasing practices, associated with competition capabilities of the firm, may have more significant effects on firm performance. Chong and Ooi, (2008) observe that a good organized and executed procurement process will make it possible for companies to decrease their inventories, have better customer service, diminish costs as well as aid fast inventory turns. From the long term perspective, a procurement process has been found to significantly increase a company's market share (Li et al., 2006).

Procurement practices cannot on their own improve efficiencies individually, since the efficiency can be achieved through the interaction of various supply chain practices. Dawe (2004) point that, for effective SCM, a comprehensive effort for improvement in all of supply chain functions within a firm should be made, and, first of all, the focus of supply chain practices should shift from functional and independent to general and integrative. This implies that the performance of each supply chain practice should be evaluated depending on how the practice has a significant effect on the efficient integration of entire supply chain processes, and thus, the successful achievement of SC integration can be possible by the systematic utilization of various supply chain practices.



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critical component of a company's supply chain system.

Typically, a company's procurement function is subdivided into strategic and operational processes since activities and priorities in these two areas are entirely different (Kaufmann, 2009). Due to the importance of procurement in an organization, some organizations have enhanced their procurement processes by adopting new systems such as, e-procurement that is used in conjunction with the varied technologies of electronic commerce such as document imaging, workflow management, bulletin boards and e-mail to enable business process reengineering.

Organizations' procurement enables purchasers to buy goods and services through the use of various facilities in a variety of forms. Above all, parastatals see procurement as a good opportunity to enhance and improve efficiency in procurement procedures within the public sector bodies. These procedures are highly regulated, with specific rules for advertising procurement needs, invitations to tender and the awarding of contracts. As correctly highlighted by Kierkegaard (2006), government procurement procedures could be guided by three main principles: all interested parties in all member states must have an equal opportunity to submit tenders, all enquiries must receive equal treatment in order to eliminate discrimination on the grounds of the nationality of the contractor or the origin of the goods/services and all tendering and award procedures must involve the application of objective criteria.

With these combinations, e-procurement can give rise to a number of benefits to an organization and to the strategic position of a firm such that it will help to consolidate purchasing practices that will lead to greater discounts and better service from suppliers, accelerate the flow of important information between the buyer and supplier, reduce administrative hours, freeing them up to do other work and also helps to respond quickly to highly competitive new market entrants (Dong et al., 2009). On the other hand, the operational benefits of e-procurement to the firm include, improving financial control by making it easier to match orders, improve auditing and better security by enabling staff and auditors to verify and track the movement of orders through the system and eliminate time zone obstacles, as the e-procurement can be used any time of the day (Ordanini and Rubera, 2008).

Measurement (PM) as a critical factor for effective management. This stems from the reality that without measuring something, it is difficult to improve it. Hence, enhancing the organizational performance needs identifying and measuring the influence of SCM on it. However, the subject of performance does not receive sufficient compensation in supply chain management research. Organizational performance can be measured by financial aims attainment or workers satisfaction. In the same manner Ho, (2008) pointed out that performance can be evaluated by efficiency and effectiveness of aim attainment.

Venkatraman et al, (1986) cited that performance can be assessed by financial performance namely, return on investment, growth of sales, profit, organization effectiveness, and business performance. Similarly, Delaney et al, (2006) assert that organization performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee that organization performance can be appraised by the following dimensions of performance: return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Green et al, (2007) identified that return on investment, sales and market growth, and profit are important factors that be measured by organization performance. According to these researchers, there are many factors in this study that be measured by performance such as market shares, financial performance, efficiency and effectiveness of an organization performance, and human resource management.

1.1.3 Parastatals in Kenya

A parastatal is a legal entity created by a government to undertake commercial activities on its behalf. Alternatively it can be referred to as a public sector or state corporation which is that part of the economy that is controlled by the government for the purpose of providing basic government services. These basic services that the government need to provide are so enormous due to increase number of people they service. Kenya has ninety six (96) parastatals categorized according to their mandate i.e. regulatory, service, commercial and manufacturing and so on, and for the purpose of this study will focus on all state corporations (Appendix II). An Act of Parliament, State Corporations Act Cap 446, exists to make provision for the establishment of state corporations; for control and regulation of



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purposes. Under section 3 of the Act the President corporation as a body corporate to perform the functions specified in the order. He then assigns ministerial responsibility for any state corporation and matters relating thereto to the Deputy-President and the several cabinet secretaries.

Under the same Act Section 5 every state corporation shall have all the powers necessary or expedient for the performance of its functions, State Corporations Act (2010). In addition there is a State Corporations Advisory Committee (SCAC) that has been given the mandate to advice the government on all matters pertaining to the general administration of State Corporations as spelt out in section 27 of the Act but also in several other sections of the act bestowing altogether a number of statutory functions (www.scac.go.ke).

The Controller of Budget recently said “The Government should put in place measures to improve the performance of corporations to enable them refund the funds paid on their behalf. This was due to the fact that available figures indicate that in 2012, the City council of Nairobi was for example owed a total of Shs.109 Billion by various private and public organizations and individuals” Akoth (2013 March 18). From these developments financial performance of parastatals become a point of interest to be studied and employment of appropriate procurement practices will be one of the mechanisms that will enhance their performance.

1.2 Statement of the Problem

The present day business environment is getting more challenging and therefore companies have to increase their business operations to stay competitive. As a result managers need to embrace all those practices that will improve their performance one of the most important factors for improving business operations is implementation of effective and efficient supply chain management practices. Chong and Ooi (2008), assert that a good organized and executed supply chain management will make possible companies to decrease their inventories, have better customer services and diminishing of costs as their inventory turns. In addition, one of the biggest advantages of supply chain management practices, in the short term objectives, is increasing productivity and decreasing inventory levels and reducing lead time which will eventually lead to an improved performance of the firm. On the other hand, based on long term



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role in increasing company's market share and having (L., 2006). Hence adoption of appropriate procurement will influence the organizations performance.

Studies have been undertaken in the area of organizations procurement practices, both internationally and locally. Internationally, there have been a number of studies of SCM implementations among manufacturing firms (Sandberg and Abrahamsson, 2010) and large retailer organizations. ((Sandberg, 2007) that have established the importance of SCM. The most outstanding shortcoming of these studies is that they only focus on manufacturing organizations hence their findings are limited to those organizations.

Locally, Kyengo (2012) found out that the overall performance of the organization was greatly influenced by the capacity of the firm to deliver products to the widely dispersed customers on time. The study was not on a public sector institute. Dajissa (2011) found out that the performance of supply chain was being influenced by quality of service, supplier management, supplier relationship, supplier selection, time service delivered and the internal assessment of criticality of business activities. The study concentrated more on the outsourcing of services. Mwingi (2011) found out that the performance of the Oil firms to fulfill various customer demands or to improve the efficiency of a firm itself can be affected by regulations and there is need to develop a more robust customer relationship that help in reducing the lead times. The study failed to come out clear on the effect of the practices on Procurement function performance of public organizations.

Based on above studies, it is evident that though studies have been done on procurement field, limited studies have been done on the effect of procurement practices in performance of public organizations. This leads to the following research question: what is the impact of procurement practices in the performance of Parastatals in Kenya?



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- 7) To establish the procurement practices used by Parastatals in Kenya.
- ii) To determine the relationship between procurement practices and performance of Parastatals in Kenya.
 - iii) To establish the challenges faced by the parastatals in adopting the procurement practices

1.4 Value of the Study

The findings of this study will give policy makers a glimpse of how public procurement practices can be harnessed by the government to achieve improved performance of public sector organizations which is a critical blue print for the economic growth and development in Kenya.

The findings of the study will enable the management of various public sector institutions to identify the key factors to consider in procurement in achieving optimal utilization of public funds and resources.

To the scholars and academicians, this study will be useful in enriching the body of knowledge and would also help them in carrying out further and related studies in public procurement as this study will avail critical information in formulation of policies and regulations in alignment with public procurement.

2.1 Introduction

The chapter provides information from publications on topics related to the research problem. It examines what various scholars and authors have said about the concept of procurement practices. The chapter covers: concept of procurement management in the public sector, supply chain management practices, and effect of procurement practices on organizational performance.

2.2 The Concept of Procurement Management

The description of the concept of procurement management has been varied as the number of different scholars in the field. Harland (2001) describes procurement process as managing business activities and relationships internally within an organization, with immediate suppliers, with first and second-tier suppliers and customers along the supply chain, and with the entire supply chain. On their part Scott and Westbrook (1991) describe procurement as the chain linking each element of the manufacturing and supply process from raw materials through to the end user, encompassing several organizational boundaries. Thus, according to this definition procurement encompasses the entire value chain and addresses materials and supply management from the extraction of raw materials to its end of useful life.

Other authorities have considered the procurement practices to be similar to the supply chain management practices which is the set of activities undertaken by an organization to promote effective management of its supply chain (Koh et al., 2007); as the approaches applied in integration, managing and coordination of supply, demand and relationships in order to satisfy clients in effective way (Wong et al., 2005); as tangible activities/technologies that have a relevant role in the collaboration of a focal firm with its suppliers and/or clients (Vaart and Donk, 2008); and as the approach to involve suppliers in decision making, encouraging information, sharing and looking for new ways to integrate upstream activities. As a consequence, it involves developing customer contacts by customer feedback to integrate the downstream activities and delivering orders directly to customers (Chow et al., 2008).



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aim at improving value delivery to customers; relying on getting the involvement of all stakeholders in the value creation process as well as working closely with suppliers. According to Ireland and Webb (2007), procurement practices continues to be adopted by organizations as the medium for creating and sustaining a competitive advantage and points out that such a displacement is understandable considering the potential benefits of a successful procurement management. These benefits attributed to procurement include inventory reduction, improved delivery service, and shorter product development cycles. They further observed that the objectives of supply chain management include focusing in satisfying end customers, to formulate and implement strategies based on capturing and retaining end-customer business and also to manage the whole chain effectively and efficiently.

According to Mehta (2004), the driving forces of procurement stem from two sources: external pressures and potential benefits from strategic supply chain alignment. The external pressures that will encourage adoption of an effective supply chain include advances in technology and increased customer demand across national borders; maintaining lower costs while meeting these diverse needs; and intensified competition utilizing relationships among vertically aligned firms. These pressures have begun shifting the focus of individual firms vying for market presence and power to supply chains. The second main driving force entails the potential benefits from successful supply chain collaboration. From this collaboration, increased inventory turnover, increased revenue, and cost reduction across the chain have been registered from those organizations that have adopted an effective SCM.

Procurement enables purchasers to buy goods and services through the use of various facilities in a variety of forms. For instance, through online tendering or e-tendering: tenders for contracts are made online, and this enhances participation among suppliers. E-procurement's potential has already been attested by a number of studies (Turban et al., 2000;), and has attracted the attention of public sector bodies at local, national and international level. Above all, a government sees procurement as a good opportunity to enhance and improve efficiency in procurement procedures within the public sector bodies. These procedures are highly regulated, with specific rules for advertising procurement needs, invitations to tender and the awarding of contracts. As

(2006), government procurement procedures could be interested parties in all member states must have an equal opportunity to submit tenders, all enquiries must receive equal treatment in order to eliminate discrimination on the grounds of the nationality of the contractor or the origin of the goods/services and all tendering and award procedures must involve the application of objective criteria.

2.3 Procurement Practices

Procurement practices are those managerial actions undertaken to improve performance of the integrated supply chain. According to Li et al., (2006), procurement practices have been identified as customer orientation, strategic supplier partnership, level of information sharing, quality of information sharing, Reverse Logistics and Knowledge management.

The public sector procurement mainly comprises procurements by government or state owned or controlled institutions and corporations. Public procurement consists of public sector supply chains and multi level network which can be assessed at the central, province, district and local authority. The difference between these levels of procurement usually depended on value and volume and annual goods and services procured (Ellinger, 2006). In addition, public sector procurement mainly focus on different areas. This differs from sector to sector and also industry sector to sector, but they are standardized and regulated by one body. For instance, in Kenya, all public procurements are regulated by Public Procurement Oversight Authority (PPOA).

According to Ochieng and Muehle (2012), the Public Procurement System in Kenya has evolved from a crude system with no regulations to an orderly legally regulated procurement system. Government's Procurement system was originally contained in the Supplies Manual of 1978; The Director of Government Supply Services was responsible for ensuring the proper observance of the provisions of the Manual (PPOA 2010). All the aforesaid reform initiatives were geared towards improving the public procurement system by enhancing accountability and transparency with the aim of achieving value for money, and attracting investments by creating sound business climate.

and competition among suppliers of goods, works and services of Kenyans in the public procurement process while at

the same time ensuring that the Government gets the best value for its money (PPOA, 2007). This led to the creation of the Public Procurement Oversight Authority (PPOA) to oversee public procurement system with its principal functions of ensuring that the public procurement law is complied with and capacity of the function among stakeholders is enhanced (PPOA, 2010).

2.3.1 Customer Orientation

Chong and Ooi, (2008) point that procurement practices is concerned with working with external groups namely; customers and suppliers and a strategic partnership between the supply chain partners will be required. For instance, for implementing SCS (supply chain standard) such as Rosetta Net standards, strategic partnership and supply chain members are the most important factors. Sourcing decisions are fundamental with respect to procurement process. The choice of supplier, how businesses are effectively integrated to obtaining proper complementary skills will form an important practice for any business unit. Narasimhan and Jayaram, (2008) found that strategic sourcing initiatives improve supply chain performance and through examining the type of sourcing decisions, strategic sourcing decisions were found to be strongly related to manufacturing goal achievement in a study of 215 North American manufacturers. In addition, the construct strategic supplier partnership is an integral element to the second order construct of supply chain management (Li et al., 2006). The defining elements of strategic sourcing have been identified to be: the status of supply management within the organizational hierarchy, internal coordination of supply management with other functions in a firm, active information sharing with suppliers, and comprehensive supplier development activities (Kocabasoglu and Suresh, 2006).

Since suppliers and retailers have knowledge in different domains, the combination can create unique knowledge that can be applied to improve business knowledge. Better relationships between retailers and their suppliers also improve prospects of new product acceptance (Kaufman, 2002). Retailers take risks in placing untried products on the shelves. The risks take several forms. The retailer's reputation is at stake if the product does not perform well, and consumers may hold the retailer responsible for selling substandard products. In addition, the

shelf-space for untried new products. Therefore, retailers avoid products from suppliers with whom close, long-term relationships have been established.

2.3.2 Strategic Supplier Partnership

The choice of suppliers and how businesses are effectively integrated to obtaining proper complementary skills are important issues. Strategic sourcing consists of strategic outsourcing and supplier capability analysis. In addition, the construct strategic supplier partnership is an integral element to the second order construct of SCM (Li et al., 2006). The defining elements of strategic sourcing have been identified to be: the status of supply management within the organizational hierarchy, internal coordination of supply management with other functions in a firm, active information sharing with suppliers, and comprehensive supplier development activities (Kocabasoglu and Suresh, 2006).

In the retail category management context, strategic sourcing has also been found to influence knowledge creation and sharing among suppliers and retailers (Dewsnap and Hart, 2004). Since suppliers and retailers have knowledge in different domains, the combination can create unique knowledge that can be applied to improve business knowledge. Better relationships between retailers and their suppliers also improve prospects of new product acceptance (Kaufman, 2002). Retailers take risks in placing untried products on the shelves. The risks take several forms. The retailer's reputation is at stake if the product does not perform well, and consumers may hold the retailer responsible for selling substandard products.

2.3.3 Information Sharing

Information sharing refers to the extent to which non-public information is communicated along the supply chain. A number of studies have examined the value of information sharing along the supply chain. For the most part, these researchers have attempted to quantify the benefits of sharing information by using simulation approaches. Sharing promotional information between retailers and manufacturers can be particularly useful. Promotional activity can create disruptions in the supply chain. A retail-level promotion may artificially increase demand for a temporary period. Without shared information on the promotion, the manufacturer may be unprepared. The retailer may not have sufficient stock to support the demand induced by the promotion.

of research is the finding that the value of information sharing is particularly high when demand is auto correlated (Hamister and Suresh, 2008). Auto correlated demand has been linked to the early season signal for a seasonal product, and it has practical relevance (Fisher and Raman, 1996). Sharing information upstream early in a selling season better positions the manufacturer to support the retailer while avoiding costly stocking errors. In practice, point-of-sale (POS) technologies and sharing through technologies such as VMI are incomplete, and must be supplemented with analysis of actual order patterns (Smaros et al., 2003). The scope of information shared is related to the nature of the business relationship.

2.3.4 Adoption of Information Technology

The advent of the internet and electronic communication has enabled companies to be more responsive to their customers than ever before. Sanchez and Peres (2003) assert that rich experience of firms with electronic resource planning (ERP) tend to deliver higher benefits while the electronic data interchange (EDI) adopter perceive more operational benefits, more external pressures and mutual understanding, and fewer technical and organizational difficulties than non-adopters of EDI

Information sharing practices such as vendor-managed inventory (VMI) give manufacturers more accurate information than before e.g. customer sales data. Smaros et al., (2004) used discrete event simulation to examine how a manufacturer can combine traditional order data available from VMI customers in its production and inventory control and what impact this has on the manufacturer's operational control. They found that even for products with stable demand a partial improvement of demand visibility can improve production and inventory control efficiency. The value of product visibility greatly depends on the target product's replenishment schedule and the planning cycle employed by the manufacturer.

2.3.5 Reverse Logistics

Reverse logistics is defined as the effective and efficient management of the series of activities required to retrieve a product from a customer in order to either dispose of it or recover value (Defee et al., 2009). On their part Rogers and Tibben-Lembke (1999, p. 2) defined reverse supply chain as "the process of planning, implementing and controlling the efficient, cost-



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process inventory, finished goods and related information point of origin for the purpose of recapturing or creating value or for proper disposal.

Firm control has been recognized as a crucial component of SCM. Sanderlands (1994) noted that the first step (in SCM) is to introduce structure and discipline to the supply process, tightening up procedures, and taking control of all activities in the supply chain. An important way to introduce structure is to formalize logistics operations. The rapid growth in the volume of returns often outpaces the abilities of firms to successfully manage the flow of unwanted product coming back from the market. The complex procedures and steps required for any RSC to be operational make most companies to shy away from undertaking the same process. Mollenkopf et al. (2007) outlined several processes involved in the RSC process that discouraged most organizations from pursuing. These processes as they enumerated include: initiate returns; determine routing; receive returns; select disposition; credit the customer; and analyzing the performance.

2.3.6 Knowledge Management

Global competition and accelerating technological changes especially in information and communication and internet technologies makes competition knowledge-based thereby affecting SCM across firms (Lang, 2001). A stronger emphasis on knowledge management as part of organizational strategy may help supply managers to manage uncertainty better. It is observed that establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged. On the other hand, external knowledge management brings value chain members closer together and adds value to the product through increased quality and customer perception of brand platforms.

Koh and Tan, (2006) assert that it is only knowledge management that is inadequate in many ways for managing a supply network in uncertain environment hence a new approach is needed. They linked the impact of organizational structure in knowledge transfer and utilization among the different participating functions in the perceptive of systems theory. Information sharing practices such as vendor-managed inventory give manufacturers access to more accurate demand information such as customer sales data than before.

Organizational Performance

E-procurement systems are a key component of a company's supply chain system. Typically, a company's procurement function is subdivided into strategic and operational processes since activities and priorities in these two areas are entirely different (Turban et al., 2000). Supplier management, the pooling of purchase requisitions and procurement-oriented product development are tasks that are typically assigned to strategic procurement. E-procurement enables companies to decentralize operational procurement processes and centralize strategic procurement processes as a result of the higher supply chain transparency provided by E-procurement systems. Strategically, e-procurement will help to consolidate purchasing practices that will lead to greater discounts and better service from suppliers, Accelerate the flow of important information between the buyer and supplier, reduce administrative hours, freeing them up to do other work, help to respond quickly to highly competitive new market entrants and Improve the chances of winning new business (Eng, 2004).

A E-procurement for example has numerous opportunities that include enhancing image and improve corporate trading relationships, improve buyer/supplier relationships, as mutual cooperation is required, better accuracy since an order is less likely to be delayed or the wrong goods, delivered because there are no transaction errors (Amit and Zott, 2001). Operationally, e-procurement helps in improving auditing and better security by enabling staff and auditors to verify and track the movement of orders through the system, shorten the delivery time by cutting time waiting for documents in the mail, eliminate time zone obstacles, as the e-procurement can be used any time of the day, and reduce inventory levels, hence costs associated with inventory. In addition, e-procurement helps to maximize labor by empowering the employees who want the product to make the transactions that are right for their work (Johnson and Klassen, 2005).

Delaney et al, (2006) point that organizational performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee relationships. On the other hand, Hoque et al, (2000) in their study of organizational performance based on balanced scorecard, stated that organizational performance can be appraised by return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Greene et al, (2007) identified that return on investment, sales and market growth,

can be measured by organizational performance. In all these practices have a positive relationship or generally affect the level of organizational performance.

A strong customer leads to improved marketing and financial performance (Green et al., 2005). As customers begin to demand that the products and services that they purchase be eco-friendly, it is important that manufacturers generate intelligence related to these changing customer demands. A manufactured product that remains unsold in inventory, because it does not satisfy customer demand is blatantly environmentally unfriendly. A company's customer relations practices can affect its success in managing the supply base as well as its performance (Turner, 1993). A key element of successful supply base management involves downstream integration of customers as well as the management of upstream suppliers. Each entity in the supply chain is a supplier as well as a customer. When a customer driven corporate vision is implemented simultaneously with effective TQM and supply base management practices, it can produce a competitive edge in a number of different ways. These include increases in productivity, reductions in inventory and cycle time, increased customer satisfaction, market share and profits.

Chong and Ooi, (2008) assert that a good organized and executed procurement will make it possible for companies to decrease their inventories, have better customer service, diminish costs as well as aid fast inventory turns. One of the biggest advantages of procurement in the situation of short term objectives is increasing productivity and decreasing inventory and reducing lead time. Based on long term objectives, this factor has significant role in increasing company's market share and having outside integration of the procurement. (Li et al., 2006)

Carr and Smeltzer (1999) have documented how firms with strategic purchasing are able to foster long term, cooperative relationships and communication, and achieve greater responsiveness to the needs of their suppliers. Although other factors, such as restructuring and governance, and transaction cost economizing are also important for understanding strategic purchasing and its linkage to supply management, they are beyond the scope of this investigation. Strategic purchasing fosters communication, which is critical to achieving effective integration throughout the supply chain. Effective communication contributes to the



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inter-organizational routines that have been documented to effectively managing strategic alliance (Zollo et al., 2002).

An organizations relational exchange, information enrichment and joint learning strategies can be reflected in the domains of partner relationships, information sharing and supply chain integration, respectively. Walters (2008) singles out in particular, relational exchange strategy and stress the importance of committed ongoing relationship between enterprises. The focus of information enrichment strategy is on information flows, such as acquisition, distribution, and exploitation. Joint-learning strategy focuses on know-how collaboration and mutual competency creation (Walters, 2008) while partner relationship refers to mutually committed relationships between enterprises and their partners (e.g. suppliers, the same tier manufactures and channel members) in the supply chain (Panayides and So, 2005). Information sharing refers to good-quality information flow between an enterprise and its partners in the supply chain while Supply chain integration is defined as the coordination and activity integration of supply chain processes between an enterprise and its partners in the supply chain.

2.5 Summary and Research Gap

The literature review is evident that studies been done on Procurement Practices and its benefits to the organization. Whereas procurement practices may cut across several sectors, it may not be the case with procurement practices in the public sector, which focuses on organizational performance not in terms of profit made, but services rendered to the citizens. It is therefore clear that there is need to find out the impact of procurement practices in organizational performance.

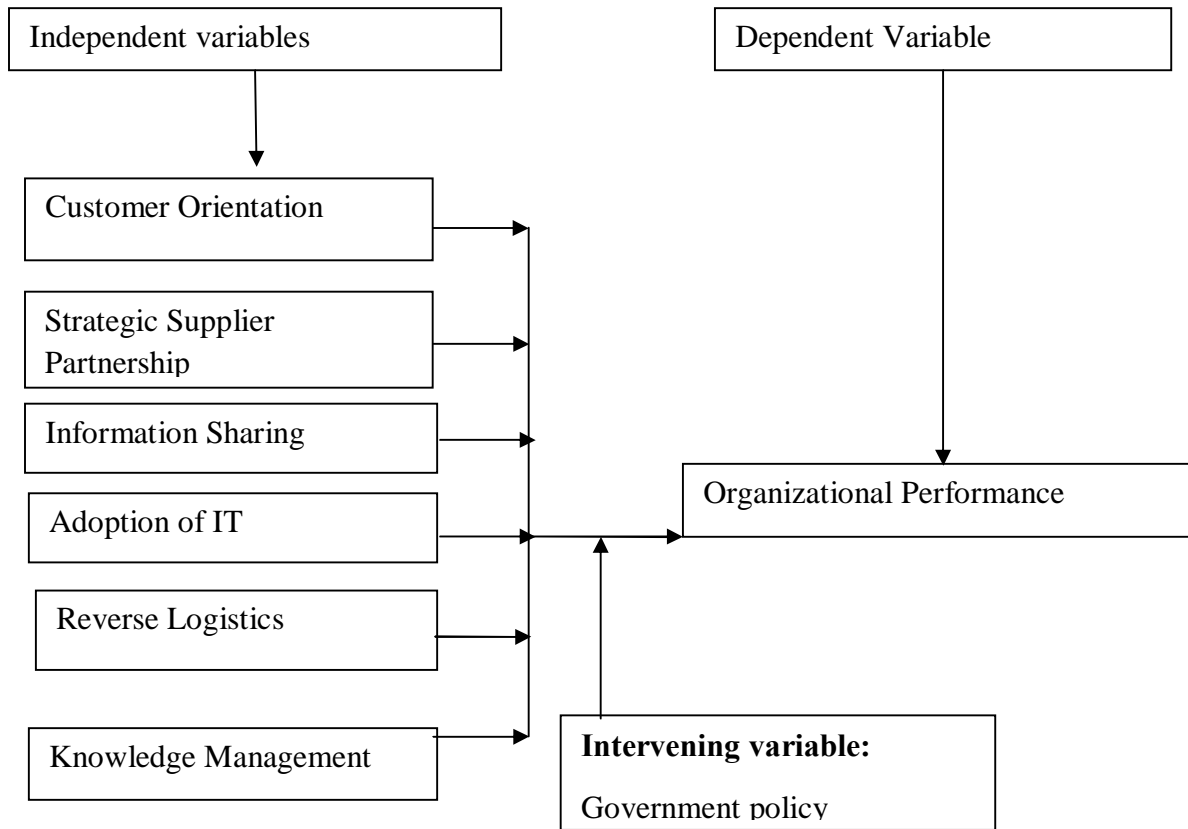
The literature reviewed and discussed above, which is primarily focused on the Procurement Practices, identifies a number of potential factors that impact on organization performance. However, it has become apparent from this review, that there are a number of significant gaps in the current literature in relation to the uptake and adoption of implementation on procurement practices. More specifically, the following important gaps have been identified:

Current studies of procurement have tended to adopt rather narrow definitions and conceptualizations of procurement practices in the performance of public organization. There are

ement factors that might impact affect performance of an empirically tested. Moreover, such studies do not provide complete and coherent taxonomies of the problems with traditional procurement, or the potential benefits of, and inhibitors / facilitators of procurement practices. with this backdrop, this study investigates the impact of Procurement Practices in performance of an organization. Whilst this study explicitly builds upon the factors identified in prior studies, it is envisaged that it would provide a far deeper and richer data set, upon which to draw conclusions.

2.6 Conceptual Framework

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel and Ramey, 1987). The schematic diagrams below will not only guide the study but will also show the interrelationship among the key variables in the study as illustrated in Figure. 2.1.



Source: Researcher (2014)

3.1 Introduction

This chapter presents the research methodology that was used to carry out the survey, what informed the selection of the research design, the target population, sampling method to be used, data collection instrument and how data was analyzed, interpreted and presented.

3.2 Research Design

A descriptive cross sectional research design was used to establish the impact of procurement practices on the performance of parastatals in Kenya. The OHRP (2013) defines a descriptive study as one in which information is collected without changing the environment and conducted to demonstrate relationships between things. OHRP (2013) continue to elaborate that a descriptive study can involve a one-time interaction with groups of people also known as cross-sectional study or a study that might follow individuals over time, also known as longitudinal study.

A descriptive research design was adopted because the study was concerned about a univariate question in which the researchers asked questions about the size, form, distribution and existence of procurement practices on performance of organizations.

3.3 Population of the study

The target population was all the parastatals in Kenya (Appendix III). The latest government list of parastatals was that by Oct.2013, the number of parastatal corporations stood at 96 and was classified as shown in Table 3.1.

Parastatals Classified According to Sector

Economic Sector Served	Population
Agriculture	15
Service	19
Industry	30
Banking and Finance	8
Education	24
Totals	96

Source: Researcher (2014)

Given the relatively small number it is proposed a census survey will be conducted.

3.4 Data Collection

Primary data was collected by means of a questionnaire (Appendix II). The questionnaire was administered through email and on a drop and pick later method to the firms. The questionnaire had four parts; Part A covered the demographic and respondent's profile, Part B covered the extent to which procurement practices have been employed, Part C examined the impact of the procurement practices on organizational performance and finally part D determined the challenges faced in the implementation of procurement practices in Parastatals in Kenya..

The questionnaire allowed greater uniformity in the way questions are asked, ensuring greater compatibility in the responses. The use of close-ended questions on the questionnaire would allow for uniformity of responses to questions; while unstructured (close-ended) questions give the respondent freedom of response which helps the researcher to gauge the feelings of the respondent; he/she can use his or her own words (Field, 2005). The questionnaires with closed ended questions also solicited respondent's views on the impact of procurement practices in organization performance, as weighted on liker scale.

The respondents were procurement managers or the equivalent since they are deemed to be the most appropriate.



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... descriptive statistics in part A, C, and D. Part B was analyzed using regression analysis. The dependent variable in the study was organizational performance. The independent variables for the study were strategic supplier partnership, adoption of information technology, information sharing, reverse logistics, customer orientation and knowledge management. The regression equation assumed the following form:

$$\text{Organizational Performance} = f (x_1, x_2, \dots, x_6)$$

More specifically, the regression was of the form;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \epsilon$$

Where Y = Organizational performance

β_0 = Constant

X_1 = Customer Orientation

X_2 = Strategic Supplier partnership

X_3 = Information Sharing

X_4 = Adoption of IT

X_5 = Reverse Logistics

X_6 = Knowledge Management

ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish the Effects of procurement practices on organizational performance of Parastatals in Kenya. This chapter presents the analysis, results and the discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 85 questionnaires were issued out of which 68 were returned. This represented a response rate of 79% and this response rate was considered satisfactory for the analysis.

4.2 Background Information

The demographic information considered in this study included the respondents' level of current position in the organization and the length of continuous service that the respondents had worked in the said parastatal. This information is necessary because the respondents' competence of answering the questions ably will be dependent on their level of education and also the period in which they will have worked in the organization.

4.2.1 Current Position in the Organization

The respondents were asked to indicate their current procurement position in the parastatal. The competence of a respondent is assumed to have a direct relationship with one's current occupation position which would have been attained, *ceteris paribus*, based on their level of education and competence on their job. The results are presented in table 4.1.

Table 4. 1: Current Position in the Organization

	Frequency	Valid Percent	Cumulative Percent
Procurement Manager/ Buyer	26	20.1	20.1
Assistant Procurement Manager	33	42.9	73.7
Procurement Officer	18	37	100.0
Total	77	100.0	

Source: Researcher (2014)

The respondents were the assistant procurement managers and procurement officers in the department (20.1%). The procurement officers constituted 20.1% of the respondents. This findings shows that the respondents were adequately represented based on their current position since the top, middle and low level staff were interviewed in the research and therefore meaning that the results will be well representative.

4.2.2 Length of Continuous Service

This is the duration of continuous service that the respondents had worked at the Parastatals. The result is represented in table 4.2 below.

Table 4. 2: Length of Continuous Service

	Valid Percent	Cumulative Percent
Less than 5 years	21.1	21.1
5 ó 10 years	57.9	78.9
More than 10 years	21.1	100.0
Total	100.0	

Source: Researcher (2014)

The findings above indicates that majority of the respondents (59.9%) had been working in the organization for a period between 5 -10 years while 21.1% had been in the organization for less than 5years and equal number for less than 5 years. Hence, based on their work experience results, it is evident that their work experience is equally weighted and therefore be valuable to the realization of the research objective.

4.3 Procurement Practices in the Parastatals

This section of the questionnaire sought to establish the different forms of procurement practices that are being employed in the firms. The range was ñvery low extent (1) to ñvery great extent (5). The scores of very low extent/low extent have been taken to present a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; (0ÖM.E <2.4). On the other hand scores of 3.5 to 4.8 on the continuous Likert was taken to be great extent and very great extent. On the question of whether the parastatal had adopted procurement practices, all the respondents

and modern procurement practices are being employed at parastatals. This finding would assist the researcher to determine effect that the adaption of the procurement has had on the firms performance as shown in Table 4.3

Table 4. 3: Procurement Practices applied in the firm

	Mean	Std. Deviation
Customer orientation is prioritized in the organization	4.2561	.98326
There exist a strategic supplier partnership in the firm	3.7018	.75510
Information is well shared between the organization and the supplier	3.8947	.88002
The procurement function has adopted information technology and hence procurement activities are done electronically	4.0825	.93525
Reverse logistics is practiced in the organization	3.3684	1.17461
There are established internal knowledge management systems in the organization	4.0526	.83283
Overall Mean	3.893	

Source: Researcher (2014)

There are different critical success factors of procurement practices and the researcher sought to establish the extent to which different practices are employed at the parastatal. The results show that the organization customer orientation was a common practice among the respondents (mean=4.256). Since the procurement practice requires engagement with external groups namely; customers and suppliers, a strategic partnership between the supply chain partners will be required. The result findings shows that the firms consider the need to develop a linkage with suppliers an important exercise and as Narasimhan and Jayaram, (2008) found, the strategic sourcing initiatives improve procurement performance and through examining the type of sourcing decisions, they found that strategic sourcing decisions were strongly related to organizational goal achievement. This finding is also consistent with that of Kaufman (2002) in which they found that suppliers and retailers have knowledge in different domains, the combination can create unique knowledge that can be applied to improve business knowledge. In addition, better relationships between retailers and their suppliers also improve prospects of new product acceptance. A key element of successful supply base management involves downstream




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the management of upstream suppliers. Each entity in the customer.

The adoption of information technology was also found to be a common practice of procurement within the firms (mean = 4.0825) as well as management of internal knowledge systems in the organization (mean= 4.0526). Consistent to the findings of Sanchez and Peres (2003), the parastatals have recognized the importance of firms using such IT solution as electronic resource planning (ERP) that then to deliver higher efficiency and operational benefits. On the other hand, a stronger emphasis on knowledge management as part of organizational strategy may help supply managers to manage uncertainty better. It is observed that establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged. This finding therefore conforms to the resource based view (RBV) of the firm, and considers procurement practices as a source of differentiation/cost leadership advantage, or a generator of barriers to imitation given their inherent complexity and tacitness.

The findings also show that the parastatals had in place an effective strategic supplier partnership (mean=3.7018) and a moderate extent of information sharing between the organization and the suppliers (mean = 3.8947). Accurate and timely exchange of data is an important factor in improving performance along the supply chain, especially in organizations the case of inventory management decisions under various levels of constraints. Sharing promotional information between retailers and manufacturers can be particularly useful. This point was reinforced by Fisher and Raman, 1996) when they pointed that sharing information upstream early in a selling season better positions the manufacturer to support the retailer while avoiding costly stocking errors. However, the findings of the research also shows that there is limited reverse logistics practice (mean=3.3684) that takes place in the parastatals. This finding is not utterly surprising considering that even in the developed countries, the complex procedures and steps required for any reverse supply chain to be operational make most companies to shy away from undertaking the same process (Mollenkopf et al. (2007).



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Practices in Organization Performance

the various benefits accruing to the firms as a result of practicing the procurement practices. The results are presented in table 4.4.

Table 4. 4: Effect of Procurement Practices on Organizational Performance

	Mean	Std. Deviation
Customer Orientation as a procurement practice improves organization performance	4.3158	.86928
Adoption of Information Technology improved the performance of the organization through shorter turnaround time.	3.8947	.83846
Reverse Logistics lead to cost savings	3.0439	.94624
Strategic Supplier Partnership lead to better supplier relationship management and thus better performance for the organization	3.9491	.95415
Knowledge Management has assisted in improving the quality of goods, works and services offered to the organization	3.9298	.84218
Distribution and delivery is made at the right time and place due to information sharing and customer Orientation.	3.8842	.73577
Overall Mean	4.002	

Source: Researcher (2014)

The findings of the study show that has enhanced the firms customer orientation (mean=4.3158) while the reverse supply chain practice has reduced the operational cost (mean=4.043). The results also point that the implementation of strategic supplier partnership has lead to better supplier relationship management and thus better performance for the organization (mean=3.9491). This support the position made by Green et al., (2005) that a strong customer relationship by a firm lead to improved marketing and financial performance. This is because as customers begin to demand that the products and services that they purchase be eco-friendly, it is important that manufacturers generate intelligence related to these changing customer demands and getting to know the needs of the customers will influence this relationship. Further, as Chong and Ooi, (2008) assert, a good organized and executed procurement system will make it possible

ries, have better customer service, diminish costs as well as also suggest that the parastatal firms practice to a low extent reverse logistics which will have meant that they return back to the suppliers containers of various products for safe disposal. This suggests that the firms researched on have not appreciated to competitiveness associated with reverse logistics. This finding will differ to that of Deshmukh et al. (2006) who argue that an efficient and effective reverse logistics management strategy has become a crucial weapon for a firm to defeat its rivals in the same industry due to increased and maintenance of the same market share. Hence firms that operate in a competitive environment need to appreciate the role that reverse logistics will bring to the firm and adopt it as one of the supply chain strategies.

4.5 Regression Analysis

For quantitative analysis the study used regression analysis to establish the relationship between the adoption of adoption of procurement practices and organizational performance has measured in section 4.4 above. To determine the same, the relationship between the overall mean of each of the procurement practices covered under section 4.3 was regressed with the resultant mean from the performance measure in section 4.4.

The result is presented in table 4.5 below.

Table 4. 5: Results of General Least Square

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-20.0771	-14.618		-1.436	.157
X ₁	3.0204	.901	-.349	-1.249	.217
X ₂	1.0012	.006	-.585	-1.566	.124
X ₃	.0590	.005	-.017	-.061	.951
X ₄	.2531	.006	.568	1.349	.183
X ₅	-1.0462	.036	.135	1.118	.269
X ₆	1.21709	.390	.425	3.121	.003

Source: Researcher (2014)

performance; X_1 = Customer Orientation; X_2 = Strategic Sharing; ; X_4 = Adoption of IT; X_5 = Reverse Logistics; X_6

= Knowledge Management

The resultant regression will be as follows:

$$Y = -20.077 + 3.020 X_1 + 1.001 X_2 + .059 X_3 + 0.253 X_4 - 1.046 X_5 + 1.217 X_6$$

The coefficient of the independent variables (X_1 ó X_6) is significant at 5% significance level. The coefficient of customer orientation is the highest of the independent variables and this means that a unit increase in the will increase the organizational performance by 3.02 units.

4.6 ANOVA

The analysis of variance is used for the testing whether the model is fit for prediction. In table 4.6 the results indicate that since the p-value is more than level of significance = 0.05, it means that there is significant difference between the procurement practices among the parastatals in Kenya and therefore the model not fit for prediction of the organizational performance of the firms.

Table 4.6: ANOVA

		Sum of Squares	df	Mean Square	F.	Sig.
1	Regression	120	2	93.33	3.4903	7.002
	Residual	160	66	13.33		
a. Predictor: X_1 ó X_6	Total	280	68	106.66	3.4903	7.002
b. Dependent Variable: Perfor						

Source: Researcher (2014)

Implementation of Procurement Practices

The respondents were sought to establish the challenges that face the parastatals in their procurement practices. The result of this section is presented in Table 4.7.

Table 4. 7: Challenges facing implementation of Procurement practices

	Mean	Std. Deviation
Procurement systems such as ERP are expensive to buy, install and maintain	3.1930	.87502
Procurement systems are not locally available	2.4912	.80451
The management doesn't recognize the benefits associated with procurement function	3.5789	.86494
Suppliers, users are not willing to share information	3.8246	.75882
Overall Mean	3.272	

The findings in Table 4.7 shows that most of the potential challenges identified above were not pertinent enough to warrant non-implementation of the procurement practices. The respondents did not consider the procurement system expensive for the firms to adopt (mean= 2.4912). In addition half of the respondents also considered systems such as ERP to be expensive to buy, install and maintain (mean=3.193). However, majority of the firms considered the suppliers to be unwilling to share information which is necessary to develop the strategic partnership.

5.1 Introduction

This chapter presents a summary of the key findings of the study as well as the conclusions, limitations of the study, and recommendations for further research.

5.2 Summary

The main intent of this research was to establish the Effects of procurement practices on organizational performance of Parastatals in Kenya. On the question of whether the firms had adopted various forms of procurement practices, all the respondents answered to the affirmative meaning that all the 1 firms sampled had recognized the importance of procurement practices as a catalyst to improving the performance of the firms.

The results show that in the parastatals customer orientation was a common practice among the firms and that for effective implementation of procurement practices, there is need to engagement with external groups namely; customers and suppliers, a strategic partnership between the supply chain partners will be required. A procurement practice such as sourcing initiatives improve procurement performance and partnering with suppliers and retailers who have knowledge in different domains, can create unique knowledge that can be applied to improve business knowledge. In addition, better relationships between retailers and their suppliers also improve prospects of new product acceptance. The adoption of information technology was also found to be a common practice of procurement within the firms. On the other hand, a stronger emphasis on knowledge management as part of organizational strategy may help supply managers to manage uncertainty better.

It is observed that establishment of internal knowledge management systems for organizations create a greater base for tacit learning to be leveraged. This finding therefore conforms to the resource based view (RBV) of the firm, and considers procurement practices as a source of differentiation/cost leadership advantage, or a generator of barriers to imitation given their inherent complexity and tacitness. It was also found that firms' customer orientation was given



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few firms that had adopted reverse supply chain, it had...ts. This is because as customers begin to demand that the products and services that they purchase be eco-friendly, it is important that manufacturers generate intelligence related to these changing customer demands and getting to know the needs of the customers will influence this relationship. In addition, a strong customer relationship by a firm lead to improved marketing and financial performance.

5.3 Conclusion

This research has attempted to investigate the implementation of various procurement practices among public sector parastatals and the effects of procurement adoption of on the performance of the firms. Results gathered from the analysis give the impression that procurement practices being employed by the firms are not conclusive but instead the firms selectively employ only a few of the practices. A further investigation conducted among respondents heavily dependent on public sector contracts highlighted that procurement is being made in line with the Public Procurement and Disposal Act and that strict adherence to the same will limit the adoption of all the practices.

The results of this study have important implications for the on-going adoption of e-procurement within public sector organizations, especially in emerging economies like Kenya. Firstly, individual organizations would better understand their current situations and the barriers that will need to be overcome before they can significantly expand their adoption and integration of e-procurement technologies. Second, this study should help inform and shape public policy so that it is better able to support the current electronic purchasing agenda. This study may also have important implications for researchers.

Successful implementation of procurement processes, integrated with supply chain management and systems enabled by the Internet will benefit businesses and citizens at large. On the legislative front, the government still has a long way to go in creating the necessary legal frameworks for electronic marketplace for e-procurement, as till today in most of the government departments, an e-mailed purchase order is still not a legal document.



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operational side of procurement and considering the early stages of e-procurement implementation on the organizations. Further research could extend on measuring the strategic level of procurement and analyze the impact of EPT usage at the strategic level. Data was collected across different industries, and some underlying industry characteristics were not investigated in this research. As a result, the relatively low level of respondents in the category of 'administration and management' might be a limitation of this study. However, the findings may have salience in the public, not-for-profit and voluntary sectors, where procurement is increasingly used as a lever to achieve social and economic reform, and in private sector firms keen to demonstrate corporate social responsibility.

5.5 Recommendation of the Study

This study shows practitioners that procurement is not widely used concept among public institutions in Kenya. However, it also shows that electronic procurement usage has a positive impact on organizational performance and consequently, there is need to facilitates the development of operational tasks in the procurement area. Managers should seriously consider the usage, for example, e-procurement as a means for continuously improving their information gathering, supplier contact, contracting, and intelligence and analysis practices.

Future research can expand the current theoretical model by incorporating constructs from other fields of study. For instance, it would be interesting to include in the research model procurement measures in general, not limiting the items to those specific to parastatals organizations alone. Further, future studies can focus on other e-procurement applications and analyze the influences systematically to enhance the generalization of the results. The studies could adopt different measurement approaches to measure supply chain performance, for example framework of supply chain operations reference, agility and flexibility.

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APPENDICES

Appendix II: Research Questionnaire

Introduction

This questionnaire has been designed for the sole purpose of collecting data on the effects of procurement practices on organizational performance in the public sector. The data collected will be treated with a very high degree of confidentiality and it is meant for academic purpose only

PART A: GENERAL INFORMATION.

1. What is your position in this organization?
 - a) Procurement manager/ Buyer
 - b) Assistant Procurement manager/ Assistant buyer
 - c) Procurement officer /Purchasing officer
 - d) Other (specify)í í í í í í í í ..

3. Gender
 - a) Male
 - b) Female

4. How long have you worked in this ministry?
 - a) Less than 5 years
 - b) Less than 10 years
 - c) More than 10 years

PART B: Procurement Practices employed by your organization

Kindly indicate the extent to which you agree with the following statements concerning procurement practices in your organization performance

Use the scale of

(1 ó No extent 2 ó Little extent 3 - Moderate 4 ó Great extent 5 ó Very great extent)

	1	2	3	4	5
Customer Orientation is prioritized in the organization.					
There are strategic supplier partnerships in place.					
Information is well shared between the organization and the suppliers.					
Procurement function has adopted Information Technology hence procurement activities are done electronically.					
Reverse Logistics is practiced in the organization					
There are established internal knowledge management systems in the organization.					

PART C: Impact of Procurement Practices in your organization performance

Kindly indicate the extent to which you agree with the following statements concerning the impact of procurement practices in your organization performance

(1 ó No extent 2 ó Little extent 3 - Moderate 4 ó Great extent 5 ó Very great extent)

Statement	1	2	3	4	5
Customer Orientation as a procurement practice improves organization performance					
Adoption of Information Technology improved the performance of the organization through shorter turn around time.					
Reverse Logistics lead to cost savings					
Strategic Supplier Partnership lead to better supplier relationship management and thus better performance for the organization					
Knowledge Management has assisted in improving the quality of goods, works and services offered to the organization.					
Distribution and delivery is made at the right time and place due to information sharing and customer Orientation.					

implementation of Procurement Practices in your

Kindly indicate the extent to which you agree with the following statements concerning the challenges faced in the implementation of procurement practices in your organization performance

(1 ó No extent 2 ó Little extent 3 - Moderate 4 ó Great extent 5 ó Very great extent)

Statement	1	2	3	4	5
Procurement systems such as ERP are expensive to buy, install and maintain					
Procurement systems are not locally available					
The management doesn't recognize the benefits associated with procurement function					
Suppliers, users are not willing to share information					

Thank you

Appendix III. List of Parastatals in Kenya as at October 2013

Agriculture

- ❖ Pest Control Products Board
- ❖ Agricultural Development Corporation
- ❖ Agricultural Finance Corporation
- ❖ National Cereals and Produce Board
- ❖ Coffee Board Of Kenya
- ❖ Horticultural Crops Development Authority
- ❖ Kenya Dairy Board
- ❖ Kenya Forestry Research Institute
- ❖ Kenya Plant Health Inspectorate Services
- ❖ NEW KCC
- ❖ Kenya Marine and Fisheries Research Institute
- ❖ Kenya Sugar Board
- ❖ Kenya Sugar Research Foundation
- ❖ Tea Board Of Kenya
- ❖ Tea Research Foundation Of Kenya

Industry

- ❖ East African Portland Cement Co.
- ❖ Export Processing Zone Authority
- ❖ Industrial and Commercial Development Corporation
- ❖ Kenya Airports Authority
- ❖ Kenya Civil Aviation Authority
- ❖ Kenya Electricity Generating Company
- ❖ Kenya Ferry Services Limited
- ❖ Kenya Ordinance Factories Corporation
- ❖ Kenya Industrial Estates
- ❖ Kenya National Shipping Line
- ❖ Postal Corporation Of Kenya
- ❖ South Nyanza sugar Company
- ❖ Telkom Kenya
- ❖ National Museums Of Kenya
- ❖ National Oil Corporation Of Kenya
- ❖ Kenya Pipeline Company
- ❖ Kenya Ports Authority
- ❖ Kenya Post Office Saving Bank
- ❖ Kenya Railways corporation

- ❖ Catering and Tourism Development Levy Trustees
- ❖ Communication Commission of Kenya
- ❖ Export Promotion Council
- ❖ Kenya Anti-corruption Authority
- ❖ Kenya Broadcasting Corporation
- ❖ Kenya Bureau Of Standards
- ❖ Kenya Revenue Authority
- ❖ Kenya Roads Board
- ❖ Kenya Safari Lodges & Hotels
- ❖ Kenya Tourist Board
- ❖ Kenya Tourist Development Corporation
- ❖ Kenya Utalii College
- ❖ Kenya Wildlife Service
- ❖ Kenyatta International Conference Center
- ❖ National Social Security Fund
- ❖ National Co-ordination Agency for Population and Development
- ❖ NGO's Co-ordination Bureau
- ❖ Public Procurement Oversight Authority
- ❖ Sports Stadia Management Board
- ❖ Lake Victoria South Water Services Board
- ❖ Local Authority Provident Fund
- ❖ National Council For Law Reporting
- ❖ National Environmental Management Authority
- ❖ National Hospital Insurance Fund
- ❖ National Irrigation Board

Banking and Financial

- ❖ Consolidated Bank Of Kenya
- ❖ Insurance Regulatory Authority
- ❖ National Bank Of Kenya
- ❖ National housing Corporation
- ❖ Co-operative bank of Kenya
- ❖ Kenya Commercial Bank
- ❖ Capital Markets Authority
- ❖ Kenya Bankers Association of Ken

- ❖ Moi University
- ❖ University Of Nairobi
- ❖ University Of Nairobi Enterprises & Services Ltd
- ❖ Teachers Service Commission Commission For Higher Education
- ❖ Egerton University
- ❖ Higher Educations Loans Board
- ❖ Jomo Kenyatta University of Agriculture and Technology
- ❖ Kenya Accountants and Secretaries National Examinations Board(KASNEB)
- ❖ Kenya College of Communication and Technology
- ❖ Kenya Industrial Research & Development Institute
- ❖ Kenya institute of Administration
- ❖ Kenya Institute of Public Policy Research and Analysis
- ❖ Kenya Literature Bureau
- ❖ Kenya National Examination Council
- ❖ Kenya National Library Services
- ❖ Kenyatta University

Source: GoK (2013)