

**FACTORS INFLUENCING E-PROCUREMENT APPLICATION AT  
KENYA REVENUE AUTHORITY**

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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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This project has been submitted for examination with my approval as the University Supervisor:

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## **DEDICATION**

I dedicate this work to my Mother Patricia Adhiambo Oporo, my beloved wife Pauline Akinyi Oporo, my children Neville Atieno Oporo, Trevis Adams Oporo, Juliana Abby Oporo and my sister in Christ Winnie Adhiambo.

## **ABSTRACT**

The recent changes in the Kenyan political landscape have brought about cuts in public sector spending and the demands of government institutions to be efficient in their operations. Kenya revenue authority with other public sector agencies, are required to make significant cost savings over the coming years. Lately, procurement has become one of the areas of public sector administration characterised by considerable costs and inefficiency where the adoption of innovative technologies, such as e-procurement, can be deployed to effect significant costs savings. However, there are many barriers to the adoption of such technologies. The aim of the research is to establish factors influencing e-procurement usage application at Kenya revenue authority. The research adopted a case study where six interviewees were selected and interviewed on the perceived factors affecting the implementation of the e-procurement at KRA. The findings were that there was some difficulty selling the e-procurement concept internally to organisational stakeholders such as senior management and end-users, a lack of confidence, a fear of making errors, lack of technology and innovation champions within the organisations which has inhibited full acceptance of process. The other factors that were found to affect the e-procurement process include size of the firm and organization readiness. Since, the data in the research was collected from top managers of the organizations on the basis of their subjective evaluations; objective performance indicators the findings might have elements of subjectivity considering that they will be involved in implementation of the e-procurement process. The research implication is that the firm's senior management must consider their internal strategic management processes, training and involve other staff, and their own role in championing e-procurement to enhance organizational performance.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

In the recent past, there has been a significant effort in the public sector to improve public procurement strategies and procedures. These efforts have mainly focused in realizing improved efficiency and cost-savings through the public sector purchasing system, by developing a number of instruments and tools which assist public sector bodies in their procurement activities. Among these instruments, electronic procurement has come out as a popular system that has been adopted by organizations to achieve these objectives (Knudsen, 2002). With the emergence of Information and Communication Technology (ICT), organizations have been forced to shift their operation from the traditional style to e-business, e-procurement and e-supply chain philosophy in order to sustain themselves (Lee *et al.*, 2007). In the automation of the supply chain process, e-procurement provides several advantages which every organization should consider adopting. E-procurement is seen as a powerful means of achieving efficiency and “has an indirect effect on cash savings by providing the access to good deals” (OGC, 2005, p. 6). It helps suppliers in tendering for contracts by erasing spatial and distance constraints, by speeding up procedures and by reducing administration costs significantly

Dawe (2004) asserts that, for effective implementation of supply chain management, a comprehensive effort for improvement in all of supply chain functions within a firm should be made, and 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. Thus, the successful achievement of SC integration can be

possible by the systematic utilization of various supply chain practices. Bowersox (2009) also has the same perspective as the argument above. He asserts that the process of SC integration should progress from the integration of internal logistics processes to external integration with suppliers and customers, such as adopting e-procurement. This internal integration can be accomplished by the automation and standardization of each internal logistics function, the introduction of new technology, and continuous performance control under formalized and centralized organizational structure (Bowersox, 2009).

A procurement system is a vital component of a company's supply chain system that will involve both a firm's strategic long term and short term decisions. 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). In addition, e-procurement can be 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. With these combinations, e-procurement can give rise to a number of benefits to an organization and to the strategic position of a firm as 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).

### **1.1.1 E-Procurement**

E-procurement has been defined simply as “using Internet technology in the purchasing process” (Boer *et al.*, 2002). An e-procurement system is an information technology-based purchase system which is at the input end of the supply chain (Presutti, 2008). Therefore, e-procurement is a purchase and sale of goods and services through the Internet as well as other information and networking systems, such as electronic data interchange and enterprise resource planning. E-Procurement has gained popularity due to benefits associated with its adoption that include reduction in lead time and cost of procurement and enhanced transparency (Bof & Previtali, 2010). From the organizations strategic point of view, e-procurement will help in fraud prevention and company reputation. Further, it is appreciated

that a firms' information infrastructures have become increasingly connected and embedded with other infrastructures to initiate the growth of enterprises (Vaast & Walsham, 2009). Therefore, the usage of information technology in e-procurement systems is considered to be an innovation strategy action that enables purchasers to buy goods and services through the use of internet facilities in a variety of forms.

The need to adopt such technologies in the public sector is largely driven by societal, demographic, economic, and political and policy changes, reform and the finite financial resources with which public sector organisations operate (Sarikas & Weerakkody, 2007). In the local government sector a number of these factors have led to various government institutions to adopt innovative technologies to introduce more efficiency in how they operate, deliver services and engage with stakeholders. According to Attaran and Attaran, (2007), societal factors include consumers being increasingly more conscious of their rights as "customers" of public services, have greater expectations of, and insist on, better levels of service provision. All these factors have increased the need for a firm to adopt a better operational system that will help in meeting the needs of a firm as well as external stakeholders.

### **1.1.2 Factors Influencing E-Procurement Success and Failure**

E-Procurement results in profitability, control and simplicity in the process of corporate procurement (Khanapuri *et al.*, 2011). Research also indicates that e-procurement leads to reduction in lead time and cost of procurement and enhanced transparency (Bof & Previtali, 2010). Some of the benefits of e-procurement are at the strategic level, such as fraud prevention and company reputation, and are highly intangible, but have a significant impact on an organization and its future (Piotrowicz & Irani, 2009). Studies have also underscored the potential of e-reverse auctions to reduce purchasing prices for organizations and especially those with low levels of purchasing volume (Adebanjo, 2010).

Several factors have been identified as influencing the e-procurement success in an organization. Bof and Previtali (2009) have identified these factors to include the availability of managerial and technical competency in the organization as well as adequacy of suppliers with IT solutions and the availability of IT infrastructure. Croom & Brandon on their part noted that the adoption of e-procurement by an organization will be affected by organizations

commitment to the same and the perceived improvement to purchasing tasks. The migration of procurement functions to the Internet had a profound impact on reducing the prevalent corruption in public procurements (Panda & Sahu, 2010). Research has indicated that the cost benefit was the main driver for companies to implement e-procurement.

### **1.1.3 Kenya Revenue Authority**

The Kenya Revenue Authority (KRA) is government agency under the Ministry of Finance. It was established by an Act of Parliament (Cap 469) on 1<sup>st</sup> July 1995. The Authority is charged with the responsibility of collecting revenue on behalf of the government. It is under the general supervision of the Minister for Finance; to whom the KRA's Board and Chief Executive report. The board has its membership drawn from the public and private sector and its core duty is to make policy decisions to be implemented by KRA management. The board's Chairman is appointed by the President. The board is composed of following: Chairman to be appointed by the President; Commissioner-General (CG); Permanent Secretary, Ministry of Finance or his representative; Attorney-General or his representative; six other persons appointed by the Minister by virtue of their knowledge and experience in accountancy, commerce, law, taxation, business administration or public administration.

Kenya revenue authority was established with the following objectives as its main mandate; assessment, collection and administration and enforcement of laws relating to revenue. In order to achieve these objectives, the organization has been divided into five segments namely; Support services, Road transport, Customs, Domestic and Large taxpayers Office. The support services division is tasked with elimination of tax evasion by simplifying and streamlining procedures and improving tax service and education thereby increasing the rate of compliance. The transport division is charged with collection of revenue for the government and to administer and enforce written laws or specified provisions of written laws pertaining to assessment, collection and accounting for all revenues in accordance with these laws. The large tax payers unit is meant to provide a one stop shop in the administration of Income Tax and VAT matters affecting large taxpayers and also efficient tax administration with the goal of achieving compliance at minimum cost to both taxpayers and the Kenya Revenue Authority.

Towards the achievement of its objectives, the organization faces several challenges in its operations. These challenges include resistance of change such as automation by the many stakeholders affected by the organization; incidences of tax evasion and avoidance are still rampant, lack of automation of client's services and frequent political interference in the management of organization.

## **1.2 Statement of the Problem**

Traditionally, the public sector has been culturally slow to adopt innovative technologies and embrace change compared to many sections of the private sector. However, in recent times there has been greater recognition of the need for public sector organisations to emulate their private sector counterparts and harness innovative technologies to effect greater efficiency and cost savings throughout their organisations. Procurement is an area of operations where the deployment of innovative technologies can bring about significant cost savings and additional benefits for public sector organisations (Johnson, 2011). This activity is more pronounced especially with the adoption of internet. e-procurement as an "Internet-based purchasing system that offers electronic purchase, ordering processing and enhanced administrative functions to buyers, suppliers and management" (Atkinson, 2007) helps an organization in the cost cutting process, in both public and private sector.

The Kenya Revenue Authority plays a critical role of assessment of taxes, collection of revenue, administration and enforcement of Laws relating to revenue on behalf of the government. In addition, according to the Act of Parliament Cap 469, KRA is also tasked with the role of enhancing and mobilization of government revenue, providing effective administration and sustainability of revenue collection. This noble objective can only be achieved if the organization lays down effective strategies of achieving these goals and implementation of IT based systems that will lead to the realizations of the same objectives. Procurement process of the organization is one of the important departments that require the collaboration with all other stakeholders such as suppliers and other government agencies in order to achieve both effective and efficient system in the organizations procurement objectives. The adoption and implementation of the e-procurement systems has not been devoid of any challenges and its success is determined by several factors. A seamless

implementation of the system has not yet been achieved and there is need therefore to establish the factors that affect the success of e-procurement.

Research indicates that any e-Gov project has 70% chances of failure (Vaidya *et al.*, 2004). The same is true for the adoption of e-procurement for public procurements. A case in point is India in which since the Government of India launched National e-Governance Plan (NeGP) in 2006 to promote e-Gov in the country, not much progress has been made since then. Various government orders on the subject issued during 2006-07 still remain unimplemented (Vaidya *et al.*, 2004).

Several researches have already been carried out in the area of critical success factors influencing the implementation of e-procurement process in public institutions. However, these studies are limited in scope because they were conducted in different national culture. According to Azadegan (2008), the faster pace of technological evolution has made adoption of new technologies, such as those used for electronic procurement, a common practice. But not all firms uniformly adopt all technologies. This difference in adoption of e-procurement system is, among other things, influenced by national culture and Batenburg (2007) found that firms from countries with a low uncertainty avoidance such as Germany and the UK are the early adopters of e-procurement, while countries that are less reluctant to change such as Spain and France have lower adoption rates. It therefore means that the level of adoption of e-procurement will vary from one country to the other and the factors influencing the same adoption will be different.

Locally, Athman (2012) researched on the Effect of Government Regulations on Supply Chain Performance of Oil Marketing companies in Kenya and found that unlike in the private sector, stringent procurement policies are adopted by government agencies and this slows down the speed of procuring services in the government sector. Dajissa (2011) researched on impact of Outsourcing of Training Services on Supply Chain Performance in Government Parastatals; A Case Study of KPLC Ltd and 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. Kingori (2013) researched on the effect of e-procurement on supply chain performance at teachers service commission. The researcher established that, e-procurement helps in improving

auditing process and also enables staff and auditors to verify and track the movement of orders through the system as well as that e-procurement can be used any time of the day, and reduce inventory levels, hence costs associated with inventory.

Based on the above studies, the researcher is not aware of any other local study that has sought to establish the factors influencing the success of e-procurement usage in public institutions in Kenya. Hence, this research is both timely and relevant because public sector organizations need to identify ways in which innovative technologies can be deployed to achieve improved performance. It follows that, awareness of barriers that could affect the successful adoption and implementation of such technologies in the public sector is of paramount importance to stakeholders involved in the process.

### **1.3 Research Objectives**

The study objectives include:

- i) To establish the e-procurement practices employed by Kenya Revenue Authority
- ii) To establish the factors influencing application of e-procurement at KRA

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

The study findings will benefit management and staff of Kenya Revenue Authority who will gain insight into how their institutions can effectively manage e-procurement to improve their performance. This study will offer an understanding on the importance of adopting an efficient procurement practices and thus offer competitive advantage to the firm. Several practices on e-procurement and their effects will be discussed for the benefit of the managers. This is because government institutions need to adapt to the changing needs of the current business set up and requirement of various customers and providers of services. As a result, organizations in the country and other affiliated institution will derive great benefit from the study.

Secondly, the literature indicates the flat nature of critical success factors of e-procurement practices but earlier studies indicate that the factors influencing the success of e-procurement in an organization changes through the lifecycle of project implementation. Therefore, further studies are needed to test the impact of CSFs on a particular stage of project implementation. This research will contribute to the literature on the e-procurement practices in firms especially in developing countries like Kenya

Third, the research is relevant to procurement practice, incorporating the national government response to e-procurement. The Kenya Revenue Authority can be viewed as a leader of revenue collection for the national government, and the study gives an insight into how heads of purchasing in the organization balance competing procurement policy objectives. The findings may have salience in the public, not-for-profit and voluntary sectors, where procurement is not only expected to achieve value for money, but also are increasingly used as a lever to achieve social and economic reform.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **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 E-procurement. The chapter covers: e-procurement in the public sector, challenges facing adoption of e-procurement in public sector, and factors influencing success of the implementation of e-procurement in government institutions.

#### **2.2 E-Procurement**

An e-procurement system is an information technology-based purchase system which is at the input end of the supply chain (Presutti, 2008). This definition is similar to that by Lee et al (2006) who assert that e-procurement is the purchase and sale of goods and services through the Internet as well as other information and networking systems, such as electronic data interchange and enterprise resource planning. It is commonly accepted that information infrastructures such as e-procurement systems has become increasingly connected and embedded with other infrastructures to initiate the growth of enterprises (Vaast and Walsham, 2009). To this extent, the usage of information technology in e-procurement systems is considered to be an innovation strategy action. E-procurement enables purchasers to buy goods and services through the use of internet facilities in a variety of forms such as, through online tendering or e-tendering and with such a step, it is expected that it will enhance participation among suppliers.

A procurement system is a vital 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). An organization supply chain is composed of various interlinked activities and these process can be enhanced in terms of their efficiency through the process of automating the procurement activity. Further, e-procurement can be 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 to enhance their capacity and speed. With these combinations, e-procurement can give rise to a number of benefits to an organization and to the strategic position of a firm, 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).

### **2.3 E-Procurement in Kenya Revenue Authority**

The need to improve government service delivery is becoming an important agenda for most governments (Kaliannan *et al.*, 2009). Consequently, governments of both developed and developing countries have embraced the Information and Communications Technology (ICT) to improve the quality of public service, public access to information and to energize more participation in civic affairs. This quest has been a great deal of criticism and negative perception that public procurement management at present is neither efficient nor effective (Moon, 2004). From such criticism and negative public perception, governments find new and innovative approaches for promoting better and more efficient procurement management to which Information Technology (IT) has become a possible solution for many administrative problems in the public sector. E-procurement has emerged as an innovative alternative to achieve a better and more cost-efficient system.

E-Procurement refers to the use of Internet-based (integrated) ICTs to carry out individual or all stages of procurement process, including search, sourcing, negotiation, ordering, receipt, and post-purchase review (Croom and Brandon, 2004). According to Koorn *et al.* (2001), there are three types of e-procurement systems: buyer e-procurement systems; seller e-procurement systems; and online intermediaries. While there are various forms of e-procurement that concentrate on one or many stages of the procurement process, such as e-tendering, e-marketplace, e-auction/reverse auction, and e-catalogue/purchasing, e-procurement can be viewed more broadly as an end-to-end solution that integrates and streamlines many procurement processes throughout the organization.

In the past, traditional methods of procurement offered little transparency and lesser satisfaction of negotiation with suppliers. E-Procurement offers the benefits of greater transparency, wider geographical reach and lesser time of transaction and better pricing. It involves the use of electronic technologies to automate and streamline the procurement processes of an organization, improving efficiency and transparency, and thereby reducing the costs (Puschmann & Alt, 2005). e-Procurement can result in a significant change and improvement in the number of areas, including internal and external communications, business transactions, management of supply chains and alliances, as well as contract management.

E-procurement enables purchasers to buy goods and services through the use of internet 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 e-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.

In order to enhance and improve the use of the internet within services offered by the public administration, the European Commission, for example launched “eEurope 2005—Action Plan”. The plan’s intention was “to provide a favourable environment for private investment and for the creation of new jobs, to boost productivity, to modernize public services, and to give everyone the opportunity to participate in the global information society” (European Commission, 2002, p. 2). Again, in the attempt to find better and cheaper services for citizens, “public authorities can use their purchasing power to aggregate demand and provide a crucial pull for new networks” (p. 3).

However, implementing e-procurement within public services requires investments that public sector bodies have to make in a range of technologies, such as internet network providers and software packages. In addition, investments have to be made in creating or developing e-procurement management skills within the public sector, by either delivering training schemes for in-house staff or through recruitment. In addition, successful e-procurement is very dependent on strategies and actions undertaken by public organizations. This is because; purchasing and procurement may have more of a strategic character in both private and public sector. MacManus (2002) underlined four traditional procurement principles governing public spending which are not applicable to the corporate sector: (1) low bid wins, and that is a must; (2) separation between the vendor and user is desirable to avoid claims of favoritism; (3) fixed price and fixed term contracts are best for government; and (4) open access is absolutely imperative in all situations.

#### **2.4 Factors Influencing E-Procurement implementation**

In the private sector research has been carried out into the benefits that can be accrued, from e-procurement, should it be successfully implemented. The benefits identified include enhanced relationships with suppliers; reduced order cycle times; reductions in the cost of placing orders; the stream-lining of the supply-chain, and greater compliance with standards (Teo et al., 2009). However, it must be appreciated that, the outcomes of e-procurement initiatives in the public sector have not been uniformly positive, as problems have often been experienced. Examples

of common problems include: security breaches; cultural mismatch; non participation by key suppliers; regulatory difficulties; and failure to achieve value for money (Croom and Johnston, 2003).

#### **2.4.1 Organizational Readiness**

Success of any project outcome to a great extent depends upon the top management buy in. The push of the top management and political will is an important factor for successful implementation of e-procurement in the government institutions (Moon (2005). This is because the top management of a firm will be the ones involved in committing necessary resources and mandating use of e-procurement requires commitment of the top leadership to the system. They will also be involved in shaking the bureaucratic slumber and ensuring critical inter-departmental coordination that requires push from top leadership.

The implementation e-procurement strategy should take into account the opportunities that would be available once e-procurement solution is in place. Major benefits from e-procurement are likely to accrue to the government organization from the aggregation of demands of all departments (Carayannis and Popescu, 2005). The system would facilitate optimization of costs due to bulk procurement and this will help government institutions to leverage its buying power with prospective suppliers. Angeles and Nath (2005) further posit that effective change management plan in terms of imparting training to stakeholders of the system like internal users, vendors and institutionalized mechanism for obtaining feedback from stakeholders is necessary for smooth roll out of the system.

#### **2.4.2 Firm Size**

An organization's e-procurement system would ordinarily undergo vertical and horizontal integration across systems and enterprises and consequently, it is imperative that the system be built around well-accepted technical content and process/procedural standards (Subramani, 2004). The author further notes that, since the system has to meet legal requirement of auditability, etc., it must also comply with legal/administrative frameworks prevalent in the country. The system should be developed around open source technologies and standards. Hardware optimizations such as active-active failover, load balancers, proper sizing of servers and finally

disaster recovery of the setup should be planned and implemented. The interface design should be intuitive, easy to use and with proper upward-downward navigation.

The main organizational factors that appear to impact on the likely adoption of e-procurement are size and type of operation. E-Procurement is more evident in bigger organizations than smaller. Small to medium enterprises (SMEs) often lag behind larger organizations in e-procurement adoption (ISM/Forrester Research, 2003). Reasons for this include owners' attitude, resource poverty, limited IT infrastructure, limited knowledge and expertise with information systems (Harland et al., 2007). However, e-procurement can be viable for SMEs through web-based enterprise cooperations (Berlak and Weber, 2004) or if the SMEs can see the business case for e-adoption (Harland et al., 2007). Some types of organizational operations seem to lend themselves to e-procurement. The use of e-procurement applications often goes hand-in-hand with repetitive purchases from suppliers, reducing human intervention and paperwork and often resulting in improved performance for buyers and suppliers (Melville et al., 2004).

### **2.4.3 Trust**

If reliability, security and confidentiality of financial data like bid amount, are not ensured, e-procurement system may actually promote corruption contrary to its stated benefit. The system and the data contained in it should be well protected by putting information security related hardware, software solution and information security procedures (Ribbers, 2006). The selection and employment of appropriate security controls for an information system are important tasks that can have major implications on the operations and assets of an organization. Security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity and availability of the system and its information (Croom, 2005).

Since the e-procurement system would undergo vertical and horizontal integration across systems and enterprises, it is imperative that the system be built around well-accepted technical content and process standards. Additionally, since the system has to meet legal requirement of audit-ability, etc., it must also comply with legal/administrative frameworks prevalent in the country (Cagliano et al., 2005). The system should be developed around open source

technologies and standards. Hardware optimizations such as active-active failover, load balancers, proper sizing of servers and finally disaster recovery of the setup should be planned and implemented. The interface design should be intuitive, easy to use and with proper upward-downward navigation. Efforts should be made to reduce the number of mouse clicks required for getting the required information. The interface of the system should be optimized for faster access over slow Internet speeds (Dooley and Purchase, 2006).

#### **2.4.4 Risk**

If reliability, security and confidentiality of financial data like bid amount, etc. are not ensured, e-procurement system may actually promote corruption contrary to its stated benefit. The system and the data contained in it should be well protected by putting information security related hardware, software solution and information security procedures (Kaynak *et al.* (2005). The selection and employment of appropriate security controls for an information system are important tasks that can have major implications on the operations and assets of an organization. Security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity and availability of the system and its information (Ramamurthy *et al.* 1999).

Organizational readiness and external pressure impact on e-business strategy (Mehrtens *et al.*, 2001b). Many firms are experiencing a number of problems in implementing e-business projects, due to hasty decisions in the presence of considerable media and software vendor hype, and often no theoretical basis behind the determination of which applications are most appropriate (Cox *et al.*, 2001). To attain the greatest benefits, purchasing processes should be evaluated and improved before adopting e-procurement tools. Internet technologies enable integration with trading partners, yet amplify the need for fundamental organizational change (Power and Singh, 2007). B2B seller competence depends on change disposition and lack of readiness has been attributed mainly to human readiness (Osmonbekov *et al.*, 2002). Internal barriers to e-adoption are more significant than customer or supplier barriers, suggesting supply management professionals need to ensure their own organizations are ready for e-adoption.

### **2.4.5 Policy Factors**

Public procurement can be used to support broader government policies, both through traditional and e-procurement processes. Electronic procurement in the public domain can be seen as a policy tool to support the delivery of public procurement policy, improving transparency and efficiency (Croom and Brandon-Jones, 2005). E-Procurement can assist a government in the way it does business by reducing transaction cost, making better decisions and getting more value. e-

Looking beyond e-procurement policy to public procurement policy more generally, public procurement can be used to support societal reforms. There is evidence that public procurement organizations in the EU have used government spending as an instrument of industrial or social policy, placing contracts to support regional development objectives, or promoting industrial competitiveness. Public procurement has been used to promote social outcomes and environmental benefits (Walker et al., 2008). This aspect of public procurement can be operationalized through e-procurement applications. For example, some public sector e-catalogues list eco-labels so that buyers can choose environmentally friendly products (NHS PASA, 2004).

### **2.5 Empirical Studies**

Certain factors seem to affect internet usage and e-business uptake amongst developing countries firms. Developing countries whose policies promote economic growth and private sector competition have experienced higher internet intensities (Dasgupta et al., 2005). A country's degree of development impacts on internet usage, and degree of development can be viewed in terms of a country's status in the world, level of democracy, foreign investment, manufacturing exports, and trade share (Santora, 2006). Factors impacting on the diffusion of e-commerce in developing countries include infrastructure in areas such as IT and telecommunications, commercial, government and legal, social and cultural factors, transportation and minimum disposable income (Murillo, 2001). Trade using e-commerce is a means of improving the economic growth and performance of less-developed nations (Lund and McGuire, 2005).

The digital divide is an important contextual factor for considering e-procurement adoption in the UN. It is important because in less-developed regions that the UN is trying to support, many suppliers have limited or no internet access, and hence are unable to trade using e-commerce technologies. The UN “does business with vendors from all over the world and is actively working at increasing its sources of supply from developing countries and countries with economies in transition” (UN Procurement Division, 2008a). In the UN Procurement Manual, there is concern that procurement processes such as vendor database registration (p. 51) and evaluation of requests for proposals (p. 120) should not “unduly disqualify Vendors from developing countries and countries with economies in transition” (p. 120) (UN Procurement Division, 2007). e-Procurement adoption across the UN may run counter to UN policies of supporting less-developed nations, regions and organizations.

Many studies have underlined that ensuring faster adoption of e-procurement requires the considering and addressing of politico-legal structural factors that are specific to a particular political and administrative context. It requires political will power to ensure administrative and legal interventions (Carayannis and Popescu, 2005). Government of India (GoI) has also realized the importance of Business Process Reengineering (BPR) and change management as prerequisites for successful implementation of any e-governance project. Reports outlining the strategies and guidelines to deal with them have been issued by the GoI (DARPG, 2010).

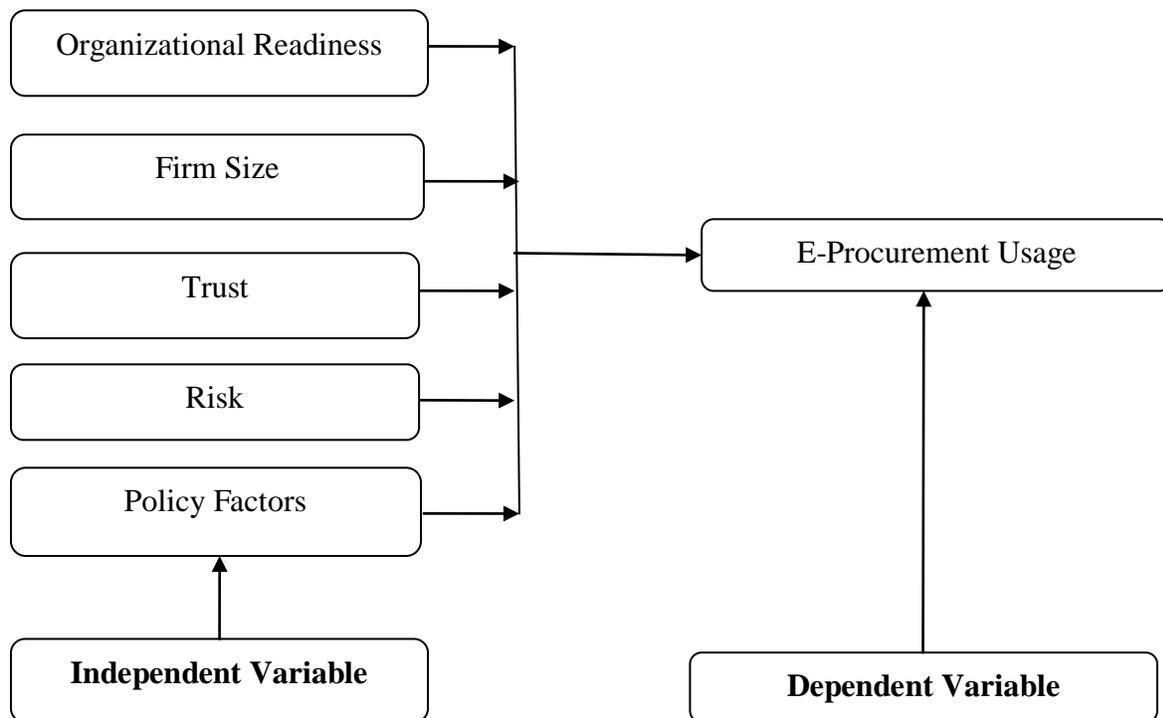
On the other hand Wong (2003)’s analysis suggests that Singapore appears to have relatively high readiness for e-commerce development, such as efficient transportation and telecommunications infrastructure, affluent population with multicultural links sharing the use of English as a common medium of communication, and a transparent and trusted financial and legal system. However, these various positive factors are likely to be offset by a number of distinct disadvantages, chief among which are small domestic market, political uncertainties and trade frictions. More instructive, perhaps, is Molla and Licker (2005)’s research on countries in Southern Africa. They find that those influencing factors were not constant for firms in different stages. In the first stage, comparing with environment factors, the organizational factors are more influential. As time goes by, the resource advantages become less important, and e-commerce adoption is affected mainly by environmental factors, together with the commitment and governance model that the firm puts in place

Firms facing foreign competition are under greater pressure to adopt e-commerce to expand market share and operate more efficiently (Kraemer et al., 2002). Jaw and Chen (2006) and Gregory et al. (2007) all found a positive relation between globalization and e-commerce adoption. However, doing e-commerce globally is difficult, especially for firms with limited resources. And firms already with high level of globalization may not want to adopt e-commerce for fear of revealing their price discrimination, product differentiation and so on (Rodríguez-Ardura and Meseguer-Artola, 2010).

## 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 Fig. 2.0.

**Fig. 2.0 Schematic diagram showing variable relationships**



Source: Researcher, 2014

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter describes the proposed research design that will be used and include the research design, the target population, sampling design, data collection instruments and procedures, and the techniques for data analysis.

#### **3.2 Research Design**

This study is based upon the premise that organizations, in order to improve their competitiveness, will have to adopt IT based applications in their day-to-day operations and one of these is the employment of e-procurement. As a result, a research design will be a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon. It also helps to reveal the multiplicity of factors, which have interacted to produce the unique character of the entity that is subject of study. The reason for this choice is based on the knowledge that case studies are the most appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also they provide a holistic understanding of the phenomena.

#### **3.3 Data Collection**

The study will use primary data which will be collected using unstructured/ depth interview guide. The interview guide is attached hereto and marked as appendix 1. The respondents to be

interviewed will be a Manager, Assistant Manager or a Supervisor from Corporate Support Services, Technical Support Services, Domestic Taxes and Customs Services Departments. These are considered to be key informants for this research. Key informants are also a source of information that can assist in understanding the context of an organization, or clarifying particular issues or problems.

### **3.4 Data Analysis**

The data obtained will be analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study. Content analysis, as a class of methods at the intersection of the qualitative and quantitative traditions, is used for rigorous exploration of many important but difficult-to-study issues of interest to management researchers (Carley, 2003). This approach is more appropriate for the study because it allows for deep, sense, detailed accounts in changing conditions. Thus the qualitative method is suitable for this research because this research will be conducted within the environment where the implementation initiatives occurred.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1: Introduction**

The research objective was to establish the e-procurement practices employed by Kenya Revenue Authority and the factors influencing the implementation of e-procurement at KRA. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

#### **4.2 Respondents Profile**

This section of the interview guide sought to establish the targeted respondent's academic as well as professional qualifications. In addition, their work experiences were also to be established. From their academic qualification backgrounds as well as work experience, the researcher was able to assess their capacity to answer the questions on the implementation of e-procurement at KRA.

The respondents comprised Managers, Assistant Managers and Supervisors from Corporate Support Services, Technical Support Services, Domestic Taxes and Customs Services Departments. In total; the researcher interviewed all the six targeted Departments. All the respondents interviewed had university degrees with three of them having a Masters degree as well. The interviewees had different educational backgrounds that ranged from, Accounting, Finance, law, BA (Economics), Commerce and Human Resources. The work experience for

the respondents ranged from two to fourteen years both within the organization and outside. On average, the respondents had worked in the organization for six years. With this solid background, both academically and work experience, it was felt that the respondents were knowledgeable enough on the research subject matter and thus of help in the realization of the research objective.

#### **4.3 E-Procurement practices in the organization**

In any purchasing process, there is need for an organization to come up with an exhaustive process of gathering information relating to a particular purchase from different types of suppliers. In this section, the researcher sought to establish whether there exist an information gathering process within KRA preceding any purchase and whether the same process has been automated. The interviewees pointed that the procurement process at KRA is semi automated in the sense that some information is gathered manually while some are gathered electronically through the procurement system. However, the interviewees noted that though some of the information would have been gathered manually, the transmission to various departments for process purposes is made electronically for fast decision is made. In addition, it was pointed to the interviewer that communication to respective suppliers that have made the bidding is made electronically. The market analysis takes the form of site visits, benchmarking and researches on the net effect on the organizations performance. It was also noted that the process of electronically gathering the information has increase business relationship between KRA and its suppliers. This finding supports that made by Aslani (2008) that adoption of e-procurement has a positive effect on issues such as employees' satisfaction, job formality, work and business relationships (Aslani *et al.*, 2008). In addition, migration of procurement functions to

the Internet had a profound impact on reducing the prevalent corruption in public procurements.

Different forms of communication are used by KRA to contact its suppliers during the procurement process. The most common mode is manually through telephone calls and physical parking of documents. A few quotations are now floated through the website, especially those reserved for youth and persons with disability. The organization uses its website, e-mails, telephone contacts and newspaper advertisement. The continued use of traditional systems such as mails and newspaper is an indication of the organization not being ready for to embrace fully the electronic purchasing. To attain the greatest benefits, purchasing processes should be evaluated and improved before adopting e-procurement tools. As Power and Singh (2007) pointed out, Internet technologies enable integration with trading partners, yet amplify the need for fundamental organizational change. Consequently, it was found that B2B seller competence depends on change disposition. It was also found that in the contracting phase, KRA procurement process was still manual and requires human intervention. The interviewees pointed that there was human intervention in the process except in the request for purchases form (RPF) and during stock issuance instructions (SII). The noted that there was therefore room for improvement since the present system is not effective.

An organization should always have a procurement system that incorporates intelligence process where it identifies, collects and processes all information that is necessary in the purchasing processes. The researcher sought to establish how the information catering process takes place at KRA. However, it was found that KRA had minimal intelligence process and the entire process of identification and use of both internal and external data to enable smart

sourcing was manual and therefore decision making was slow. After KRA obtains the bids, we use the same to gather information about sourcing based on evaluation of bids received. The limited intelligence gathering that takes place within KRA include through site visit, benchmarking/visits and research through the web.

#### **4.4 Factors Influencing Success of E-Procurement at the Kenya Revenue Authority**

In seeking to explain the factors that influence the implementation of e-procurement at KRA, several potential factors was investigated and the interviewees opinion was sought on the same. This section highlights some of the issues that affect the adoption of e-procurement in the organization.

##### **4.4.1 Organizational Readiness**

A public institutions decision to adopt e-procurement is affected by several factors within the organization that include environmental, societal and cultural factors. The researcher sought to determine how the organizational change and cultural values impacted in the implementation of the e-procurement system at KRA. In answering the question, the interviewees pointed that the current procurement law (Procurement Act and Regulations) is an impediment to introduction of successful e-procurement in KRA as it insists on physical documentation of the procurement process. During appeals, the public appeals board will always demand physical documents dealing with the transactions to scrutinize all the appeals and that the culture of physical signing of documents intrudes the implementation of e-procurements. Resistance to change on the part of the employees has made KRA not embrace e-procurement system wholesomely. It was noted that automation reduces power of some individual to intervene in certain transaction and therefore making them to resist the adoption of the process. Changing the mind set from a manual system to e-system has taken a while for acceptability. People view

the process as lengthy because of the stringent measures the system has put in place slowly by slowly the system has been accepted.

One other implementation issue that came out and affects KRA's e-procurement adoption is the lack of data interchange standards for e-procurement systems. Business managers were found to be appraised to the developments surrounding the standards making organizations and support their efforts towards evolving universal data exchange standards, especially those based on extensible markup language (XML). This finding supports the one made by Olivia, (2001). Further, there were found to exist hidden cost which were not budgeted for in the implementation phase and include such costs as systems integration, content aggregation and rationalization, catalog and search engine maintenance, supplier enablement, end user training, transaction management, business process re-engineering, and administration. These costs, in the case of KRA, were found to exceed software licensing and maintenance costs. This cost was therefore found to be a hindrance to effective implementation of e-procurement.

Support from other players in the procurement process was also found to hinder effective implementation of the e-procurement system in the organization. The interviewees noted that there is need of the current public procurement law to be amended to support e-procurement. However, the pointed that with the treasury directive on use of IFMIS by all government bodies, the position is likely to improve. The procurement here is currently under review and this will help in implementation. Further, it was noted that, the ministry has rolled out a policy framework to support the industry given this being a public sector that involve policy changes to make it a reality before organizations take individualistic approach. Suppliers are an important stakeholder in the ensuring success of an e-procurement solution. They must be involved in every step of system implementation and also encouraged to use the system and

provide feedback for its improvement. Chang and Wong (2010) found that the reliability of the suppliers systems will affect the success of an organizations system. In addition, there is need for continuous communication between the organization and the suppliers as well as existence of explicit procedures to monitor supplier's performance (Kaliannan *et al.* (2009). These findings by the authors if implemented at KRA will increase the uptake of e-procurement at KRA.

#### **4.4.2 Firm Size**

The size of a firm has direct relationship with the resources that can be put in the implementation of e-procurement in an organization. The interviewees were asked to indicate how the level of investment had affected the implementation of e-procurement at KRA. They pointed that during the implementation of e-procurement, investment in the IT infrastructure had not been on the priority list and instead priority had been given to Revenue Debts. As a result, this had affected enhancement of IT in procurement. However, other interviewees pointed that the ICT department is one of the highest spenders in KRA and the e-procurement platform is already provided and it is only a matter of implementing and using the system. The firm size also influences the staff level that will be assigned to the e-procurement duties. The interviewees noted that the number of staff makes it necessary that the hardware is run adequately. Therefore, this findings will be in tandem with that made by Forman (2005) who noted that a firm's technical strength manifesting itself in the capacity of digesting and absorbing new technologies will contribute to the rate of uptake of the e-procurement in an organization.

As a revenue collection institution, the interviewees noted that KRA has devoted most of the energies and finances to collection of resources and limited resources has been directed

towards implementation of such systems as e-procurement. They pointed that lack of time has been a problem given that KRA concentrates more on revenue systems and it will require time to study a system that will interact with the current ones. Top management has not fully supported the implementation of the system by directing more of the resources to the system. Success of any project outcome to a great extent depends upon the top management buy in. The push of the top management and political will was found to be an important factor for successful implementation of e-procurement. As an important factor in the successful implementation of e-procurement, the interviewees observed that committed leadership will be required to shake the bureaucratic slumber and ensure critical inter-departmental coordination is achieved for effective e-procurement implementation requires push from top leadership. On the issue of whether, a lack of champions to spearhead the e-procurement process at KRA was hampering the implementation of the process in the organization, the respondents noted that it was not the case since the organization has many able staff to steer the process effectively in the organization.

#### **4.4.3 Risk Perception**

The reliability, security and confidentiality of financial data like bid amount need to be safeguarded by the system since failure of the same will promote corruption contrary to its stated benefit. The e-procurement system and the data contained in it should be well protected by putting information security related hardware such as intrusion prevention system, antivirus gateways, and centralized logging and information security procedures. The researcher sought to establish whether the newness and the position that the e-procurement system has been untested have any effect on the implementation of the e-procurement system at KRA. On this question, the interviewees noted that the ERP system in use was actually a non-starter with the

coming of IFMIS since the new system contains the same features as the ERP that had been put in place. It was also noted that the older generation staff have been slow to change and adopt the new system in that they prefer doing things the way they understand, that manual way and it's difficult to convince them changes in ICT.

To register the introduction phase that the e-procurement procurement was still at KRA, the interviewees pointed that they did not witness resistance from the supply chain partners in the implementation since ERP never got to the point of bringing suppliers on board in its implementation and with the introduction of IFMIS they noted that there will be need to sensitize suppliers on its operation and how it will affect their relationship with KRA. It was also noted that the existing suppliers are likely to resist the IFMIS operation due to the directive issued by the government that certain percentage of business to be given to women youth and disabled and consequently lock the other bidders on the tenders. The ICT department left the administration of the system to the users who were technically unchanged and that caused a lot of problem during the implementation. At the same time Public procurement law was pointed out as a barrier because one has to set bids electrically but at the same time receive them manually.

Klein (2007) noted that different actors in supply chains have got different power, legitimacy and urgency to implement e-procurement and e-procurement can have an effect on trust in supply chain relationships. Consequently, the greatest benefits of e-business occur when its application is fully integrated throughout the supply chain. E-procurement is more likely to be adopted if it is perceived that suppliers have capability to deal with it and difficulties will arise in integrating information systems across firm boundaries in supply chains if suppliers lack capability. Therefore the present research findings will support this position and reinforce the

importance and involvement of other players down the supply chain for success adoption of the system in an organization.

#### **4.4.4 Trust**

The researcher also sought to find out whether the issue of trust with the use of e-procurement affected the implementation of the e-procurement at KRA. On this, there was no evidence in the case to suggest that trust issues were a barrier for KRA in adopting e-procurement. The interviewees noted that governance mechanisms are in place and also engrained in the procurement law and consequently, trust has never been an implementation challenge. Culture would to a large extent be the problem rather than governance. This finding will be consistent with the findings of Zhang et al. (2005), but inconsistent with the mainstream view in the literature (e.g. Archer et al., 2008 and Hofstede et al., 2010).

Internal stakeholders in an organization such as employees and top management might also be source mistrust on the system. On the question of whether KRA staff and other stakeholders had shown mistrust in the system, all the interviewees answered to the negative. They observed that it is the system failure that has been the shortcoming rather the staff mistrust on the e-procurement system. Finance department at KRA has been finding it difficult to run one system with other departments. Inventory system also has been keeping parallel records electronic and manual due to the trust of the system. It was found that in the e-markets in this study, KRA and its suppliers were trading in closed environments, which minimized any risks of opportunistic or fraudulent behaviour, transaction failure or privacy and security issues related to data protection. Thus the private trading network environment and the trading established relationship between KRA and their suppliers served to augment the governance mechanisms by which the e-procurement operate.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **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 of the Findings**

The research objective was to establish factors influencing e-procurement implementation at Kenya Revenue Authority. The findings were that the procurement process at KRA is semi automated in the sense that some information is gathered manually while some are gathered electronically through the procurement system. However, despite some of the information being gathered manually, the transmission to various departments for process purposes is made electronically for fast decision making. There was human intervention in the process except in the request for purchases form (RPF) and during stock issuance instructions (SII). Different forms of communication are used by the organization to contact its suppliers during the procurement process. The most common mode is manually through telephone calls and physical parking of documents. The organization uses its website, e-mails, telephone contacts and newspaper advertisement.

It was found that there was some difficulty selling the e-procurement concept internally to organisational stakeholders such as senior management and end-users, a lack of confidence, a fear of making errors, lack of technology and innovation champions within the organisations. Some managers might not consider e-procurement as a priority issues compared to the other competing initiatives and projects in the organization. the factors that were considered to affect

e-procurement implementation at KRA include size of the firm, organization readiness, trust and risk. The size of a firm was found to have a direct relationship with the resources that are put in the implementation of e-procurement in an organization as well as the influence the staff level that is assigned to procurement department to roll and implement the system. The reliability, security and confidentiality of financial data like bid amount need to be safeguarded by the system since failure of the same will promote corruption contrary to its stated benefit. The e-procurement system and the data contained in it should be well protected by putting information security related hardware such as intrusion prevention system, antivirus gateways, and centralized logging and information security procedures.

On the issue of whether trust was considered to be an impediment in the implementation of the e-procurement at KRA, there was no evidence in the case to suggest that trust issues were a barrier for KRA in adopting e-procurement. The interviewees noted that governance mechanisms are in place and also engrained in the procurement law and consequently, trust has never been an implementation challenge. Culture would to a large extent be the problem rather than governance.

### **5.3 Conclusion**

Government institutions are beginning to recognise the huge potential offered by the internet, in general, and e-procurement systems in particular. However, despite the growing interest in this area, there has, been very little literature that explicitly addresses the role and adoption of e-procurement within the public sector. This study investigated factors that affect the implementation of e-procurement at the Kenya Revenue Authority.

The results of this study have important implications for the on-going adoption of e-procurement within public sector organisations, especially in emerging economies like Kenya. Firstly, individual organisations 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.

#### **5.4 Recommendation**

It is also important for an organization to understand what might get in the way of the successful engagement of all firms in a value chain, since an entire value chain's performance is only as good as that of its weakest link. Keeping informed of these challenges to e-procurement implementation should help all managers participate in purchasing intelligently plan for and implement their firm's procurement initiatives. Again, the challenges to implementation may differ depending on whether or not the firm is the hub or participating trading partner in the network.

Public sectors organisations appear to be risk-averse and should take more active approach to adopting e-procurement technologies, such as e-markets, that have the potential to streamline procurement processes and reduce procurement costs over the long term. In order for this to happen, organizations leadership are required to recognise the positive impact that more efficient procurement can have on their organisational budget and prioritise procurement as a strategic agenda for the organisation. Public organizations should appoint technology champions to ensure that their IT infrastructure is sufficiently modern to accommodate the new

technology, to communicate the rationale for adopting the technology to organisational stakeholders and to provide end-user training that supports the full utilisation of the technology

### **5.5 Limitation of the Study**

This research had several limitations. The limited number of respondents to the case study prevented more advanced quantitative analysis. The case studies would have benefited from more interviewees. The study was also restricted to the organizations in a large, complex government set up, which may limit generalisability. 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.

### **5.6 Suggestions for Further Research**

Firm size matters for e-procurement benefits and their adoption strategy. Small and medium firms tend to take e-procurement as a source to gain competitive advantages, while large ones tend to take it as a way to simplify firm operation and lower costs. So far, there have not been many studies on e-commerce adoption from the perspective of firm size. Besides firm size, the effect of ownership structure on the adoption of e-procurement and the challenges during implementation has not been explored. This could be an area for further research. Further, the supplier firms' perspective could be explored instead.

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## **APPENDIX I: INTERVIEW GUIDE**

The interview guide will seek to establish:

- i) The e-procurement practices employed by Kenya Revenue Authority
- ii) The factors influencing e-procurement at KRA

### **PART A: Background Information on the interviewees**

1. What current position in the organization do you hold?
2. For how long have you been holding the current position?
3. Your highest level of education and professional qualification?

### **PART B: E-procurement practices in the organization**

1. How would you rate the organizations information gathering process and how it influences the e-procurement practices at KRA? What form does your market analysis take?
2. How does the organization contact bidders in the procurement process, eg, requests for quotes, proposals and bids take place?
3. In the contracting phase, does KRA contracting process involve human intervention or it is only the system that does all the transaction? How is the present system performance?
4. How does KRA intelligence process take place? Do the organizations recognize the identification, collection and use of internal and external data to enable procurement to make smart sourcing decisions important?

### **PART C: Factors Influencing E-Procurement at the Kenya Revenue Authority**

#### **1) Organizational Readiness**

1. How has the organizational change and cultural values impacted in the implementation of the e-procurement system at the organization.

2. Would you explain please how the ICT infrastructure affected the implementation of the e-procurement system at KRA?
3. Does employee risk aversion to technology affect the level of implementation and usage of the e-procurement system? Please expound.
4. Do you experience lack of industry support in the implementation of the system? How is it an influencing factor?
5. Do you consider a lack of universal standards and unsuitable product types at KRA a limiting factor as far as the implementation of the system is concerned? Please expound

## **2) Firm Size**

1. Has the level of investment of the ICT by KRA been influencing the implementation of the e-procurement system by the organization? What role does the level of investment play in the implementation process of the system in the organization?
2. Does the lack of resources such as time, finances affect the level of e-procurement at KRA? How is the same influencing the system implementation?
3. Has KRA experienced lack of e-procurement champions to fast track implementation of e-commerce in the organization? Has this been an impediment to the implementation of the system?

## **3) Trust**

1. Has lack of governance mechanism at KRA been a factor affecting the implementation of the e-procurement? Please expound on how the same has been affecting the organization's e-commerce process.
2. Has the system been facing lack of trust from both KRA staff and other stakeholders? How has the same been reflected and what impact has it had in the implementation of the system.
3. Has there been a fear of malpractices at KRA? How has the same impacted on the implementation of the e-procurement system?

## **4) Risk Perception**

1. Have the newness and the position that the e-procurement system has been untested have effect on the implementation of the system in the organization? Please expound on the same.
2. Does the e-procurement system require asset specific investment and has the same influenced the implementation of the system at KRA?
3. Has KRA witnessed resistance from the supply chain partners in the implementation of the e-procurement system?
4. Has there been a barrier in the implementation of the e-procurement system at KRA which has affected the level of implementation of the system in the organization. How has the same been detected and dealt with? Please expound.
5. Is there any other issue not covered above that you wish to share?

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**THANK YOU FOR YOUR TIME**