

**PROCUREMENT GOVERNANCE AND PROCUREMENT
PERFORMANCE OF SMALL MEDIUM-SIZED ENTERPRISES
IN NAIROBI CENTRAL BUSINESS DISTRICT**

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DECLARATION

I hereby declare that the work contained in this research project is my original work and has not previously, in part or its entirety, been presented at any other university towards the award of any degree.

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SUPERVISOR

This research project has been written under my supervision and submitted for examination with my approval as the university supervisor.

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DEDICATION

I would like to dedicate this project paper to my family, my three daughters, Maureen, Joy and Gloria and my mother Chistinah Nzioka for their support, love, encouragement and patience during the long school hours. This would not have been possible without you.

ACKNOWLEDGEMENT

First and Foremost, I am grateful to the Almighty God for granting me strength, power and the ability to undertake this study and overcome all the challenges during the entire period of my study.

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Lastly, my appreciation goes to all my friends for their encouragement and all the necessary support throughout the entire period of my study. My thanks must also go to the Procurement managers, Sales managers, Accountants of Small and medium-sized enterprises in Nairobi CBD for their willingness to fill and return my research questionnaires in good time.

Thank you!

ABSTRACT

This study was set out to establish the effect of Procurement governance and Procurement performance of SMEs in Nairobi CBD. To accomplish this, the study set out five specific objectives which included; determining the effect of Procurement planning, Procurement and Disposal procedures, Procurement Record management, Procurement code of ethics and Complaints Review mechanism on Procurement performance of SMEs in Nairobi CBD. The study adopted a descriptive research design of a cross sectional type approach and sampled forty (40) SMEs out of the total number of four hundred (400) SMEs in Nairobi CBD through random sampling to take part in the research. The researcher used questionnaires as the main data collection tool. The data was analyzed using the SPSS (version 22). Mean and standard deviation was used to analyze the data which was later on presented in the form of percentages, graphs and frequency distribution tables. The study found out that, most of the respondents were Marketing and Sales managers, with some being Procurement managers. Majority had worked for more than 5 years in their designated roles, meaning that they had enough experience concerning the topic of study. Regression analysis findings revealed that Procurement governance has a positive effect on Procurement performance with all the variables (Procurement planning, Procurement Disposal procedures, Procurement Record management, Procurement Code of ethics, Complaints Review mechanism) hence all these variables have a statistically significant effect on Procurement performance. Based on the conclusion, this study recommends all SMEs in Nairobi CBD to adopt Procurement governance practices such as Procurement planning, Procurement Disposal procedures, Procurement Record management, Procurement Code of ethics and Complaints Review mechanism. This is because these practices improve Procurement performance which in turn ensures that there are no loopholes through which public resources can be misappropriated.

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LIST OF ABBREVIATIONS AND ACRONYMS

SMEs	Small and Medium-Sized Enterprises
GDP	Gross Domestic Product
SCM	Supply Chain Management
GNP	Gross National Product
ITC	International Trade Centre
UN	United Nations
OECD	Organization of Economic Co-operation and Development
PPDA	Public Procurement & Disposal Act
PPOA	Public Procurement Oversight Authority
CIPS	Certified Institute of Purchasing & Supplies
MSMEs	Micro, Small and Medium Size Enterprises
EAT	Efficiency, Accountability and Transparency
CEO	Chief Executive Officer
SPSS	Statistical Package for Social Sciences
CBD	Central Business District
KNBS	Kenya National Bureau of Statistics
PPARB	Public Procurement Administrative Review Board
KIPPRA	Kenya Institute for Public Policy Research and Analysis
IAPWG	Interagency Procurement Working Group

CHAPTER ONE

INTRODUCTION

1.1 Background

Procurement governance in any organization is very important given that it handles quite a great amount of the organization's resources. Procurement and purchasing are often regarded as identical terms. Procurement remains the acquisition of goods or services in any method including force or pillage. The process comprises planning and processing of requirements as well as the end delivery and authorization of payment, (Lysons, 2015).

Public procurement accounts for at least fifteen percent of global GDP and it is the largest share of government spending (Kwakkenbos, 2012), making it a very vital tool to achieve social, economic and other goals (Thai, 2001). According to Nakamura (2004), Public procurement is always seen as a part of waste and corruption because of many reasons for instance greater inspection of taxpayers and competing traders, thus leading to close monitoring which is essential in ensuring good governance.

Small and Medium Enterprises (SMEs) has many challenges, which include lack of finances and inadequate information (Nkonge, 2013). As a result SMEs are not recognized especially when participating in government bidding regardless of their education, sizes and level of production. To avoid this, it is the responsibility of all stakeholders (suppliers, procuring, financiers and beneficiaries of the procurement) to ensure an efficient, effective and transparent Public procurement system. A government procurement contract in Kenya just like in other nations covers a broad range of supplies, works and services. Public procurement being part of Public Supply chains, need to be effectively managed to enhance performance, continuity and shared sense of value within the whole organization (Mc Adam et al., 2005). To sum up, Procurement governance has been seen as an influential tool in enhancing performance of Procurement both in public and private sectors.

Nowadays, the procuring agent has become a professional, a technologist, and above all, an experienced and knowledgeable manager. He/she is supposed to be aware of

the complexity of this duty (Andreasen, 2012). As a result this function is deemed important in every organization be it public or private therefore proper measures need to be put in place by doing the right things in the right way. Here professionalism is mandatory for success of the procuring entities.

1.1.1 Procurement Governance

According to Klakegg and Williams (2009), governance is related with words like administration, leading and control. Control means being able to make decisions, define limitations or delegate authority. Thus, governance is a word that has diverse meanings. Its increase to importance originates from the difficulties of hierarchical synchronization by firms or the state (Miller and Lessard, 2000). It also refers to the overall systems and procedural arrangement to ensure that procurement process applies appropriately to levels of control and probity.

Good governance means competent management of a country's resource which is open, transparent, accountable and equitable. Accountability is one of the important tools of good governance where SAI Bangladesh played important role as its constitutional obligations (GOB, 2011). It provides the assurance that the policy process (policy formulation, implementation, monitoring and evaluation) is operating optimally with effectiveness, efficiency, and economy, and is underpinned by broader principles such as rule of law, transparency, accountability and integrity (OECD, 2014).

1.1.2 Procurement Performance

Many organizations today are looking into a blend of objectives and initiatives to ensure that their procurement function is effective and efficient. Any procurement department can do well if he or she applies the five main elements to their processes which are; supplier performance, customer service, professionalism, cost performance and future direction setting. With the evolution in procurement, it is significant that, whatever is measured is not only essential to the organization but also to all the basic areas of procurement (Kakwezi, 2006). In Procurement, measurement yields profit to firms such as cost minimization, improved productivity and guaranteed provisions as was noted by Batenburg and Versendaal, (2006).

1.1.3 Small and medium-sized enterprises in Nairobi Central Business District

The Small and medium-sized enterprises (SMEs) are organizations that engage few employees which vary across nations. In the European Union, the most common upper boundary suggesting an SME is two hundred and fifty (250) employees. Other nations consider SMEs to include firms with less than five hundred (500) employees (OECD, 2005).

According to the nation of Kenya (2005), Small medium-sized enterprises are those that employ 10-49 and 50-99 people correspondingly. These SMEs have a probability to grow up into great companies which are able to sustain the economy and address unemployment (KNBS, 2007).

The characteristics of SMEs in Nairobi CBD have been described as; those with high number of family workers and apprentices, requiring minimal capital, ease of entry and exit and small scale nature of activities and have little access to organized market (Kendi, 2012). Small scale businesses range from Jua kali artisans, retail shops whereas for the large scale they vary from manufacturing to large retail outlets.

1.2 Research Problem

It is evident that the public sector plays a significant role as a purchaser of goods or services, while on the other hand SMEs have an important role for the economy. Governments frequently use Public Procurement to encourage, support and otherwise sustain local SMEs (Bell, 2016). However, looking at their position in Public procurement, SMEs are facing specific hindrances to and challenges in participation compared to big enterprises. Some of the specific limitations SMEs face is strongly related to Public procuring practices. It is no surprise then, that involvement of SMEs in Procurement is one of the points of concern of Public procurement regulations and practices.

On the other hand, Procurement systems have other shortcomings that not only challenge its ability for carrying out its mandate successfully but also lead to a public opinion that, it is not giving maximum value for money spent on procurement. Public sectors are more complex since they have so many departments and partners

within the Supply chain structure where Procurement is part of it. This has called for a highly integrated, co-ordinate mechanism and procedural arrangement to ensure that procurement process applies appropriately to levels of control and probity within the sector that is procurement governance (Shakya, 2011).

Many studies on Public Procurement carried out are mainly on commercial and private sector both locally and globally. For example, Blowfield (2010), and Kasomi (2012) have found different impacts of Procurement governance on Procurement performance. In Kenya, majority of reviewed studies focus on developed economies and no study has been directed towards analyzing the impact of Procurement governance, and especially among SMEs in Nairobi CBD. Thus, the researcher seeks towards bridging this gap by evaluating whether Procurement governance has an impact on Procurement performance on SMEs in Nairobi CBD.

Locally, Wanjohi (2008) posited that, lack of adequate market information as a big challenge to small enterprises. This is as a result of failure to interpret and analyze the statistical data and poor internet connectivity particularly in rural areas. Aleri (2012), on his study, “The Perceived Effects of Public Procurement Effectiveness among parastatals in Kisumu County”, established that, the law has a major influence on Procurement performance in parastatals. Here his focus was on the public procurement effectiveness among parastatals and not on SMEs. Jackinda (2011) did an investigation on, “the effectiveness of the Procurement performance measurement systems of large manufacturing companies in Nairobi” but did not address the factors affecting Procurement performance of SMEs in Nairobi CBD.

Most of the reviewed studies performed within governance area refer to political or corporate governance, without covering the complexity of Procurement governance. They focus on corporate and other types of governance and not on Procurement and its performance. Thus this forms the research gap that the researcher wishes to seek answers towards the next questions; Does Procurement planning affect performance of SMEs in Nairobi CBD?, Does Procurement and disposal procedure affect the performance of SMEs in Nairobi CBD?, Does Procurement Record management have any effect on performance of Procurement among SMEs in Nairobi CBD?, How does Supply chain code of ethics affect the performance of Procurement among SMEs in

Nairobi CBD? And does Complaints Review Mechanism affect the performance of procurement among SMEs in Nairobi CBD?

1.3 Objectives

The study sought towards establishing connection concerning Procurement governance as well as Procurement performance of SMEs in Nairobi CBD.

Specific Objectives of the Study included;

- i. To investigate the effect that Procurement planning has on Procurement performance.
- ii. To establish how Procurement and disposal procedure influences Procurement performance.
- iii. To determine the effect that Procurement Record management has on Procurement performance.
- iv. To establish how Procurement code of ethics influence Procurement performance.
- v. To determine whether Complaints Review Mechanism affects Procurement performance.

1.4 Value of the research

After the research findings the Nairobi County government will be able to formulate specific management policies that enhance effectiveness and sustainability of SMEs in Nairobi CBD. The government will be able to establish whether the rules they have set may be stringent, and if so which areas. The SMEs will benefit in that, the members will have clarity as to why there is need to adhere to the laid down procedures. It can be used in the future as a point of reference by other researchers on a similar topic.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section primarily evaluated studies that have been conducted by other researchers on various aspects of Procurement governance, performance and SME's. The literature review will also guide the relevance of the study findings. Among the areas to be reviewed include; Procurement governance, Procurement performance, and the elements of good governance in Public procurement. The chapter will provide the research gap identified and a conceptual framework to show the connection between the variables.

2.2 Theoretical framework

The two theories used in this study include; The Institutional Theory and Auction Theory.

2.2.1 The Institutional Theory

The institutional theory is a conventional approach that is used to study fundamentals of Public Procurement (Obanda, 2010). Scott (2004) documented multiple pillars of organizations as normative, regulatory and cultural. According to him, organizations are comprised of cultural-cognitive and regulative elements that, collectively with related activities and resources provide logic to life. The regulatory pillar stressed on the use of rules, laws and sanctions as enforcement policies, with experience as basis for compliance. The normative pillar refers to norms that are how things would be done and value being the foundation of compliance. The cultural pillar rests on a mutual understanding, which is shared beliefs and symbols.

Public Procurement is overseen by the Public Procurement and Asset Disposal Act 2015, whose mandate is “to provide procedures for efficient public procurement and for assets disposal by public entities and for associated purposes.” The new procurement Act was assented to on 7th January 2016, repealing the previous Act of 2005.

2.2.2 Auction Theory

This theory relates tendering out public services to performing of ordinary value auctions with a sealed-bid process. The procuring authority normally appraises the competing bids for price and quality in the bidding process. Pure auction seems superior to a beauty contest because it gives a more market-oriented and transparent method for giving tenders (Hultkrantz & Nilsson, 2001). According to this theory, firms in the auction process, reveals details about their view of the value of the goods or services involved, through offering more and more money. Further the theory suggest that, an auction is a better alternative because consists of minimum requirements and permits both positive bids in attractive areas and negative bids in unattractive areas. Hence open and transparent bidding and fair competition are encouraged.

2.3 Procurement Governance

All sectors of government are influenced by the Public procurement. Good governance in the public sector is instilled by improving general strategy of public procurement (Ogot, 2009). The government seeks to come up with a framework which will integrate Procurement plans, to connect both the internal and external customers (Crisan, 2012). The structure is a division of state authority focusing on reasonable Public Procurement policies and practices which are necessary essentials of good governance (KIPPRA, 2006). According to Aliza *et al.*, (2011) the authority structure should guarantee accountability and transparency of the decisions made in giving the right contract to the right contractor.

Lack of legalized public sector SCM, affects service delivery negatively (Fuzille, 2015). The search for effective methods of fighting corruption has led to a progressively more wide acknowledgment that corruption is essentially a setback of governance (Hellman *et al.*, 2000). Otieno (2004) clarifies that, public resources are misappropriated by irregular procurement activities in public institutions. In view of this, Procurement governance consists of the following; Procurement planning, Procurement Disposal procedures, Procurement Record management, Procurement Code of ethics and Complaints Review mechanism.

2.3.1 Procurement Planning

It is a process of choosing what to purchase, when to purchase and from what source. It is seen in terms of quality, cost and elasticity, which include a force on the viable capacity of the firm to meet client necessities. It is through the Procurement planning procedure, that a procurement system is assigned after which the prospects for fulfillment of procurement requirements are determined. Thus the vital goal of the planning is to have a synchronized and incorporated act to meet the requirements for goods and services at a reasonable cost (OECD, 2006).

It is the planning stage where most savings in the procurement process are achieved. Positive actions can be taken to guarantee emergency planning and preparedness to address forthcoming procurement needs such as emergencies, even in institutions where planning is difficulty (Arrowshmith *et al.*, 2000). The Public Procurement and Disposal Act (2005), section 26, states that, “All procurements shall be made within the approved budget of the procuring entity concerned through an annual procurement plan”. A good planning is fundamental in optimizing the role of the procurement function towards achieving the general goals of the organization.

2.3.2 Procurement and disposal procedures

The PPDA, 2015 repealed the PPDA, 2005 which requires that, “an Act of Parliament be enacted to prescribe a framework within which policies relating to Procurement and Asset disposal in respect of a State organ or any other public entity shall be implemented” (PPDA, 2015)

This Act applies to all State organs and public entities with reverence to procurement planning, procurement processing, inventory and asset management, disposal of assets and contract management. It proceeds to list the entities that would fall under the definition of a “public entity” including but not limited to the National and County governments, the Central Bank of Kenya, state corporations and companies owned by public entities.

2.3.3 Procurement Record management

The new Public Procurement and Disposal Act (2015) call for, “all procuring entities to handle Procurement records appropriately and ensure transparency and accountability in the Public Procurement process” Enhanced record keeping practices ensures an orderly, efficient and effective manner with which the procurement transactions are conducted. It further reduces exposure of the procuring entity to legal challenge, financial loss and promotes efficacy in terms of human resources (PPDA, 2005).

2.3.4 Procurement Code of ethics and Conduct

Ethics is the branch of understanding which is concerned with moral values and it is the basis with which most of the procurement related principles are based. Professional values of ethical conduct, no matter the organization, contain distinctive characteristics including commitments to; behave honorably in all aspects of work and professional activity, avoid practices made to take unwarranted advantage of others or the system, directing oneself in such a manner as to maintain trust and confidence in the integrity of the acquisition process, avoiding conflict of interest, sustaining the organizational standards and policies and all relevant legislation (CIPS,2013)

2.3.5 Complaints Review Mechanism

The PPARB Act, 2005 is a “continuation of the Public Procurement Complaints, Review and Appeals Board which was established under the Exchequer and Audit (Public Procurement) Regulations, 2001”. It provides an overall complaints and grievances mechanism covering all aspects of projects hence stating that, “Powers should be given to an independent body or bodies (Administrative or courts) to review cases and demand corrective action (possibly using the threat of penalties for non-compliance)”. However, the power to compensate harms remains with the judges (Sigma, 2000).

2.4 Procurement Performance

The first step in understanding the procurement performance is by identifying the strengths and weaknesses of any structure and taking preventive action. There are elements for measuring the performance of public procurement systems. These include; effectiveness of procurement process, openness, and transparency of the procurement process, professionalism of the procurement workforce, contract management and supplier performance (OECD, 2006). These helps in the implementation of evidence-based public policies and support-required reforms.

According to Aleri (2012), the law of Public procurement in Kenya has improved a lot in improving public procurement performance in parastatals. This can be established when one compares the number of procurement officers who agree with what the law has achieved with those that disagree with the same as per the findings of his study.

2.5 Procurement Governance and Procurement Performance

The increased demand for superior services in the public sector leads to the need to effectively succeed in public procurement to enhance performance, continuity and shared sense of value within the whole organization (Davis, 2008). But still the problem is not yet resolved especially in developing countries. Thus there is information gap to find out how the procurement procedure can contribute to an improved procurement function.

Otieno, (2004) studied that; “irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated”. He emphasized that, the government should exhibit efficiency in achieving goals and producing the types of services that the public needs through procurement governance.

Barden (2012) studied, “the challenges of procurement in South Africa” whereby a supply chain management system was adopted in South Africa in 2003 that would initiate procurement best practices. The system was granted a constitutional standing and has since then existed to deal with former unfair policies and practices. He also

revealed the challenges limiting effective and efficient implementation of public procurement. He further recommended for increase in competency through customized training and programs of stakeholders and the employment of good strategic sourcing practices.

According to Aleri (2012), the law has improved Procurement Performance in parastatals. This can be established when you compare the number of procurement officers who agree with what the law has achieved compared with those that disagree with the same as per the findings of his study.

Muraguri (2013) examined policy in Public procurement implementation of the youth preference and reservations. The researcher found out that the youth preference and reservations policy on public procurement had not been fully implemented. The researcher also established that legislations and institutional challenges have a negative influence on the implementation of the youth preference and reservations policy in public procurement. He then recommended that, the government should run an awareness campaign among the procurement practitioners and budget holders on the reservations policy which calls for institutionalizing monitoring and training in all the enterprises and also including the practitioners in review of the Public Procurement legislation.

2.6 Empirical Literature

Transparency is critical for correct decision making in procurement. There is an agreement that transparency is among the most effective prevention of corruption in public procurement. Transparency measures allow stakeholders to scrutinize public official's decision and performance and for any organization to change its focus and become more competitive, (OECD, 2006). Amaratunga & Baldry (2002) suggested performance as being a key driver in improving quality of services, while its absence, or use of unsuitable means, acts as an obstacle to change and may lead to worsening of the procurement function.

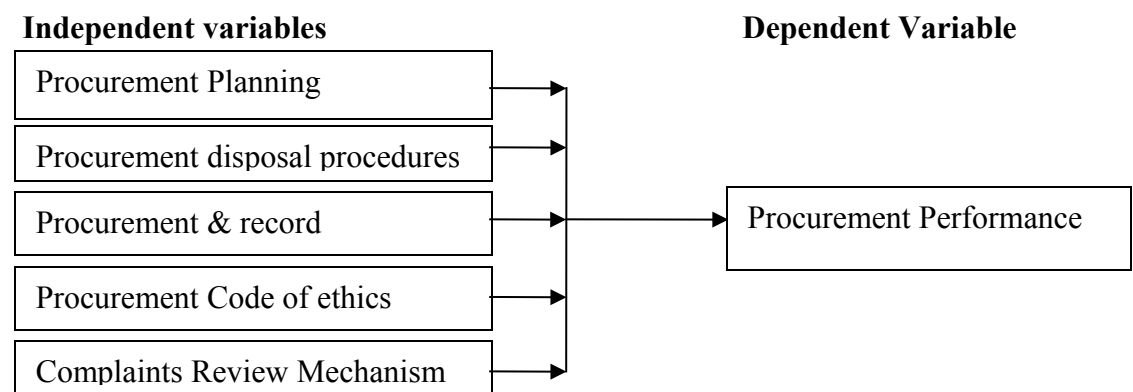
Ngugi and Mugo (2007) examined, "the effect of procurement activities on the operation and effectiveness of public sectors in Kenya". However, they did not address Procurement governance and its impact on Small and Medium enterprise

suppliers in Nairobi CBD. There is a lack of conclusive studies on SMEs addressing the issues of Procurement Governance and performance of SMEs as majority of the reviewed studies have focused more on the effectiveness of procurement process in general for instance, Gatere (2014) and Farrington (2012). Others have researched on Procurement Governance but in developed economies hence a research gap. It is for this research gap that the researcher wishes to establish the connection between Procurement Governance and Procurement Performance of SMEs in Nairobi CBD.

2.7 Conceptual Framework

The conceptual framework represents the connection between independent variables (Procurement Governance) and dependent variables (Organization Performance).

Figure 2.1: Conceptual Model



Source: Own Compilation (2016)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter deliberates on the research design, population, sample design, data collection, analysis and presentation.

3.2 Research Design

A descriptive of a cross-sectional type approach was used because it enabled the researcher to seek ideas from the respondents and develop an insight to the problems under study for the respondents to give more information liberally. The descriptive research design was also appropriate for the need to explain the relationship between procurement governance and procurement performance. Muriugi & Kanyora (2013) also used the same approach successfully in their study.

3.3 Population of Study

The target population was four hundred (400) SMEs located in the Nairobi Central Business District (NCBD).

3.4 Sampling

Stratified-random sampling which is a form of probability sampling to select forty (40) respondents was used. The stratum was based on the nature of businesses operated by the SME owners which falls into four categories as follows: pharmaceuticals, food and beverages, commercial, trade and services. The four categories had a total of four hundred (400) SMEs in Nairobi CBD as shown in Table 1. A sample size of 10% was applied sufficiently resulting to a sample size of forty (40) SMEs operating in the Nairobi Central Business District as shown below;

Table: 3. 1 Target Population and Sample Size

CATEGORY	POPULATION	SAMPLE
Telecommunication	120	12
Service	80	8
Pharmaceuticals	100	10
Food and Beverages	100	10
Total	400	40

Researcher: (2016)

3.5 Data Collection

Structured questionnaires were used to gather the primary data. The data was collected from the owner-managers of these SMEs and secondary data from other researchers. Both semi-structured and structured questionnaires was administered by drop and pick method. The structured part comprised of both open-ended and close-ended questions where the 5-point Likert scale was used. The respondents for this study were the Procurement Managers and/or Procurement Officers, Marketing and Sales Managers, Accountants and Auditors since they are familiar with the Procurement function.

The questionnaires were self-administered using the drop and pick later approach which gave the respondents enough time to respond to the questions appropriately. The close-ended questions captured the quantitative data while the open-ended questions the qualitative data. The questionnaire was further divided into four sections four sections. Section A; consisted of respondents' general information while section B; dealt with the effect Procurement planning has on the performance of SMEs in Nairobi CBD. Section C; looked at the effect of Procurement disposal procedures on the performance of SMEs in Nairobi CBD. Section D; addressed Procurement record management and the performance of SMEs in Nairobi CBD. Part D; looked at the challenges in the implementation of Complaints Review Mechanism on the function of procurement and the performance of SMEs.

3.6 Data Analysis

The collected questionnaires were edited and cleaned for completeness in preparation for coding. They were then coded and keyed into the SPSS version 22, for analysis. Descriptive analysis such as means and frequency distribution was used to analyze the data while percentages, graphs, bar charts and frequency tables were used for data presentation. Regression analysis was used to determine the connection amid Procurement governance and Procurement performance of SME's in Nairobi CBD. The variables measured on nominal scale were quantified using dummy variable for purposes of attaining higher level of analysis.

Table 3. 2: Summary of Data Collection and Analysis methods

Objective	Questionnaire	Data Analysis
General Information	PART I	Descriptive Statistics
Procurement governance variables	PART II SECTION A-D	Descriptive Statistics
Procurement performance	PART II SECTION E	Descriptive Statistics
Relationship between Procurement governance and procurement performance	PART II	Regression Analysis

Source: Research Data (2016)

To determine the connection amid Procurement governance and Procurement performance in Nairobi CBD, a multivariate regression model was used.

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

Where;

Y – Procurement Performance (Dependent variable)

X₁- X₅ – The independent variables

X₁- Procurement planning

X₂- Procurement disposal procedures

X₃- Procurement record management

X_4 - Procurement code of ethics

X_5 - Complaints Review Mechanism

β_0 - constant of the model

β_1 - β_5 – regression coefficients

ε – Stochastic error term estimate

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

Data analysis, results and discussions of data collected from the administered questionnaires are deliberated in this chapter. The questionnaires that had been filled successfully were checked for consistency before being coded and entered into SPSS (version 22). Descriptive statistics such as frequency distribution and percentages were applied to analyze general information. On the other hand, Mean was used to establish the impact of Procurement governance on Procurement performance of SME's in Nairobi CBD. These study findings are presented in form of tables, graphs and pie charts.

4.2 Response Rate

Forty (40) questionnaires were administered to be filled by the respondents selected in the sample of the study. Out of these, 23 questionnaires were filled successfully and submitted for analysis. This represents a 57.5% response rate. Van Weele (2006) suggests that a 55% response rate is sufficient enough to allow the researcher to proceed with the analysis. This is summarized in table 4.1

Table: 4. 1 Response Rate

Response	Frequency	Percentage
Returned	23	57.5
Not returned	17	42.5
Total	40	100

Source: Research Data (2016)

4.3 General Information

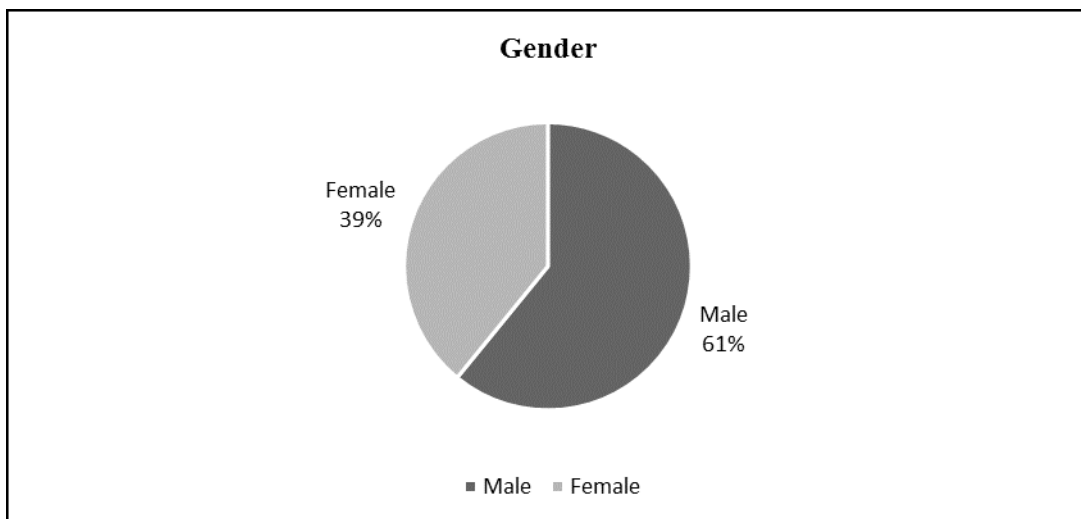
The respondents gave information about their gender, highest level of education, designation as well as their working experience. Additionally, they provided information about period in operation, ownership and nature of their business.

4.3.1 Gender

The study identified the gender of the respondents that took part in the research. Findings in figure 4.1 reveal that 60.9% of the respondents were male while 39.1% were female. This implies that the study was gender sensitive during the administration of the research instrument.

Figure: 4. 1 Gender

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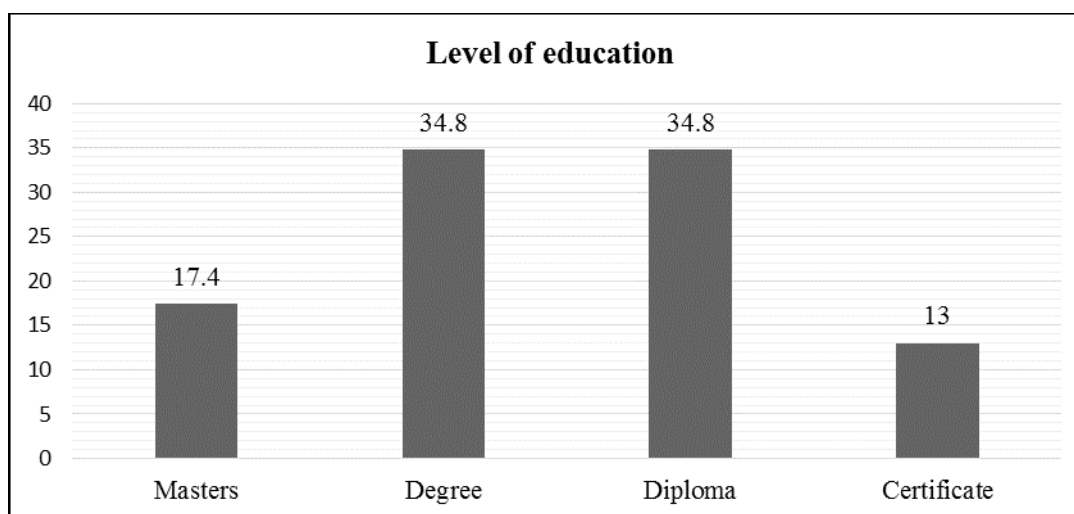
Source: Research Data (2016)

4.3.2 Level of Education

The research respondents were required to state their highest level of education attained. Figure 4.2 indicates that, majority of the respondents had attained a degree and diploma (34.8%) while 17.4% has a Master's degree. Only 13% of the respondents had certificates. This implies that the respondents are well educated in the field of study.

Figure: 4. 2 Level of education

μ



Source: Research Data (2016)

4.3.3 Designation of the Respondents

The study also inquired on the position each respondent held in their respective organizations.

Table: 4. 2 Designation of the Respondent

Designation of respondent	Frequency	Percent
Procurement manager	1	4.3
Procurement officer	7	30.4
Marketing & Sales manager	14	60.9
Accountant/ Auditor	1	4.3
Total	23	100.0

Source: Research data (2016)

Table 4.2 indicate that many of the respondents are Marketing and Sales managers (30.4%) followed by Procurement Officers (30.4%) and a Procurement manager

and an accountant/auditor. This means that the respondents work in an area that is relevant to the field of study.

4.3.4 Working Experience

The researcher also asked the respondents regarding the amount of time they have spent in their designated positions. The outcome is summarized in table 4.3

Table 4.3: Working Experience

Working experience	Frequency	Percent
Less than 5 years	9	39.1
6-10 years	11	47.8
11-15 years	3	13.0
Total	23	100.0

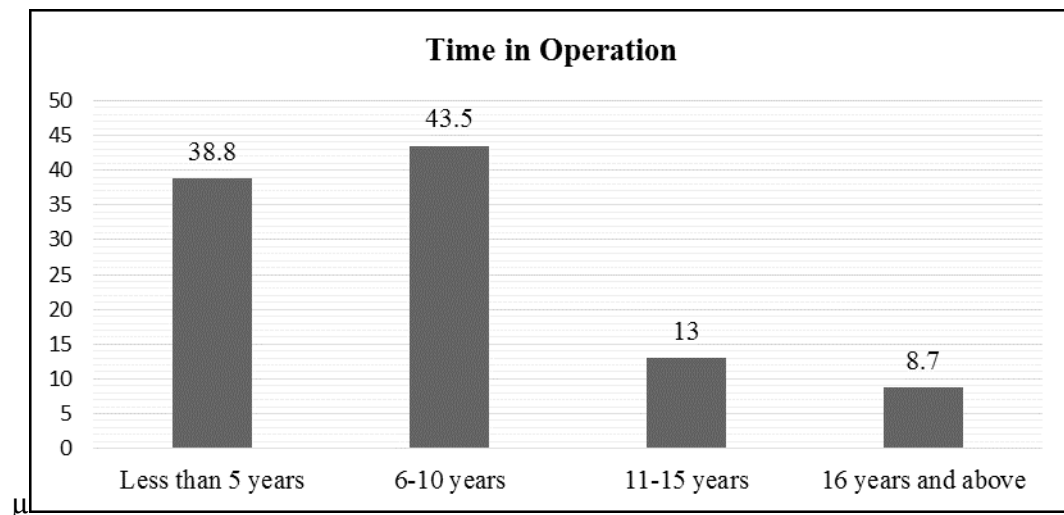
Source: Research Data (2016)

From the results above, majority of the respondents have operated in their positions between 6-10 years (47.8%), followed by those who have worked for less than 5 years (39.1%) and finally those who have worked between 11-15 years (13%). Majority of the respondents have enough experience in the field of study.

4.3.5 Time in Operation

The study also sought after establishing the number of years that respondents operated these SMEs prior to conducting the research. Figure 4.3 reveals that, 43.5% of the SMEs had been in operation between 6 and 10 years, 34.8% for less than 5 years, 13% between 11 and 15 years while only 8.7% had been in operation for above 16 years. This implies that the organizations have had enough experience in the field of study.

Figure 4.3: Time in Operation



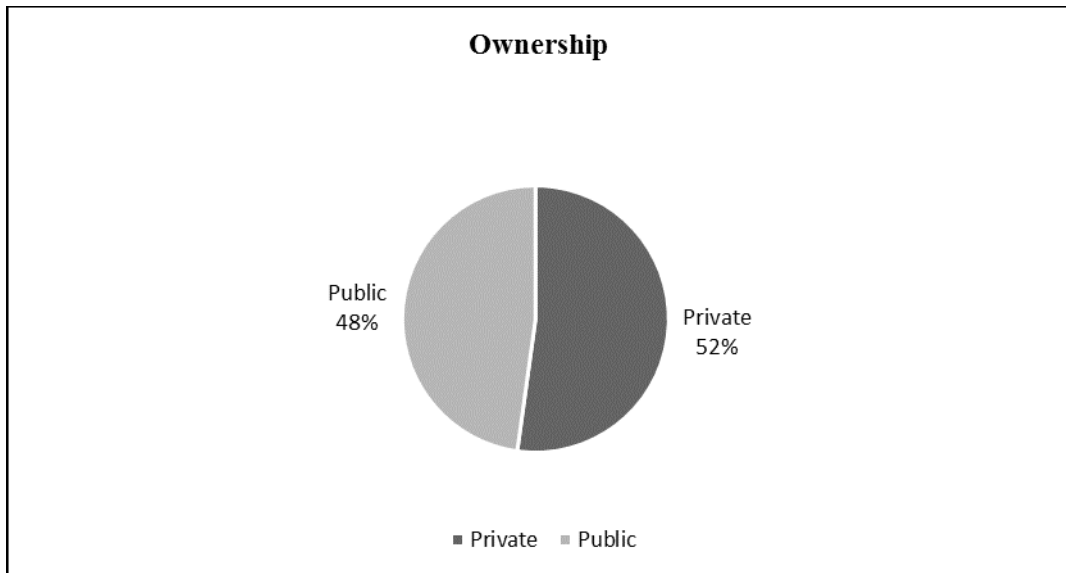
Source: Research Data (2016)

4.3.6 Ownership

The researcher also wanted to establish the ownership of the SME's the respondents belonged to. The study established that 52.02% of the SME's were private while 47.8% were public. These findings are summarized in figure 4.4

Figure 4.4: Ownership

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Source: Research Data (2016)

4.3.7 Nature of Business

Finally, the study sought to identify the nature of business of the SMEs. It was established that majority of the SMEs were in service businesses (43.5%), 34.8% were in telecommunication businesses, 13% were in pharmaceutical while 8.7% were in food and beverage business. The findings are summarized in the table below;

Table 4.4: Nature of business

Nature of Business	Frequency	Percent
Telecommunication	8	34.8
Service	10	43.5
Pharmaceuticals	3	13.0

Food and beverage	2	8.7
Total	23	100.0

Source: Research Data (2016)

4.4 Effect of Procurement Planning on Procurement Performance

The table 4.5 presents the mean and standard deviation that the researcher used to determine, the effect of Procurement planning on the Procurement performance. The respondents were requested to respond to various statements concerning Procurement planning based on a Likert scale. The means were interpreted as follows: 1-1.49=strongly agree; 1.5-2.49=Agree; 2.5-3.49; Neutral; 3.5-4.49=Disagree; 4.5-5.0=Strongly Disagree

Table 4. 5: Procurement Planning

Statement	Mean	SD
Effective Procurement plan saves time and money	2.36	0.449
Effective Procurement plan provide a framework to direct Procurement officers in the achievement of their tasks and duties	2.45	0.487
Good supply planning practices are used to ensure timely Procurement of goods and services	2.48	0.507
Effective Procurement plan ensures compliance with regulatory policies	2.68	0.541
Average	2.49	

Source: Research Data (2016)

An average mean score 2.49 implied that, the respondents generally agreed that, Procurement planning affects Procurement performance of SMEs. They specifically, agreed that an effective Procurement plan saves time and money (M=2.36, SD=0.449), that an effective Procurement plan provides a framework to guide Procurement officers in the achievement of their tasks and obligations (M=2.45, SD=0.487) and that good supply planning practices are used to ensure timely Procurement of goods and services (M=2.48, SD=0.507). However, they are neutral on whether an effective Procurement plan ensures compliance with the regulatory policies (M=2.68, SD=0.541). Arrowshmith *et al.*, (2000) also established that, Procurement planning has a positive influence on the performance of Procurement

4.5 Effect of Procurement and Disposal Procedure on Procurement Performance

Table 4.6 indicates the mean and standard deviation findings that the study used to establish the effect that Procurement and Disposal procedure has on Procurement performance. Similarly, respondents were expected to respond to statements regarding Procurement Disposal procedure based on a Likert scale. The means obtained were interpreted as follows: 1-1.49= strongly agree; 1.5-2.49=Agree; 2.5-3.49=Neutral; 3.5-4.49=Disagree; 4.5-5.0=strongly Disagree

Table 4. 6: Procurement and Disposal Procedure

Statement	Mean	SD
Procurement and disposal of goods and equipment by Procurement entities are carried out in accordance with the laid down procedures in the Public Procurement Act, 2015	2.30	0.635
Disposal of assets should be based on a fair market value for each surplus item	2.57	0.662
Procurement entities dispose of their goods and equipment in a method that is efficient, consistent, and equitable according to the principles of the Public Procurement Act.	2.65	0.775
Asset disposal decisions, and the reasons for taking them, should be documented.	2.83	0.576
Average	2.58	

Source: Research Data (2016)

The respondents agreed that Procurement and Disposal of goods and equipment by Procurement entities are carried out in accordance with the laid down procedures in the Public Procurement Act, 2015 (M=2.30, SD=0.635). On the other hand, they were neutral regarding if disposal of assets should be based on a fair market value for each surplus item (M=2.57, SD=0.662), if Procurement entities dispose of their equipment in a method that is efficient, consistent, and justifiable in agreement with the principles of the Public Procurement Act (M=2.65, SD=0.775) and if asset disposal decisions, and the reasons for taking them, should be documented (M=2.83, SD=0.576). An average mean score of 2.58 indicates that, the respondents were unbiased on whether Procurement and disposal procedure has an effect on Procurement performance. The Procurement and Disposal Act (2005) asserts that Procurement disposal procedures are important because they enable the public Procurement process to be more transparent and accountable which in turn

reduces wastage of public resources. This means that Procurement disposable procedures directly affect Procurement performance.

4.6 Effect of Procurement Record Management on Procurement Performance.

Table 4.7 indicates the mean and standard deviation that the study used to find out how Procurement Record management affects Procurement performance. The study laid out statements regarding Procurement Record management to respondents who were in turn expected to respond based on a Likert scale. Responses obtained were analyzed using means whose interpretation was as follows: 1-1.49=strongly agree; 1.5-2.49=Agree; 2.5-3.49=Neutral; 3.5-4.49=Disagree; 4.5-5.0 = strongly Disagree

Table 4. 7: Procurement Record Management

Statement	Mean	SD
Record management helps in retrieving of crucial information when required	2.00	0.302
Record management reduces the time to allocate suppliers hence reduced cycle time	2.00	0.302
Good management enhances co-ordination of information use, maintenance and control of records	2.00	0.302
Good record keeping promotes efficiency of human resources.	2.04	0.515
Proper record keeping practices reduce vulnerability to legal challenges	2.09	0.562
Average	2.03	

Source: Research Data (2016)

The respondents agreed that Procurement Record management helps in retrieval of crucial information when required (M=2.00, SD=0.302), that it reduces the time to allocate suppliers hence reduced cycle time (M=2.00, SD=0.302, that record keeping enhances co-ordination of information use, maintenance and control (M=2.00, SD=0.302), that good record keeping promotes efficiency as far as human resource is concerned (M=2.04, SD=5.62). They also agreed that, good record keeping practices reduce vulnerability to legal challenges (M=2.09, SD=0.515). On average, the study established that the respondents agreed that Procurement record management affects Procurement performance in their respective SME's. (2.03). The Public Procurement and Disposable Act of (2005) require all procuring entities to ensure that they manage their Procurement records well. This is consistent with

this study's results that Procurement Record management affects Procurement performance.

4.7 Effect of Procurement Code of Ethics on Procurement Performance

Table 4.8 presents the mean and standard deviation findings that the researcher used to establish the effect of Procurement code of ethics on Procurement performance by analysing the response of statements regarding Procurement Code of ethics. Similarly, respondents were expected to respond to these statements based on a Likert scale. Responses obtained were analyzed using means whose interpretation was as follows: 1-1.49 = strongly agree; 1.5-2.49 = Agree; 2.5-3.49 = Neutral; 3.5-4.49 = Disagree; 4.5-5.0 = strongly Disagree

Table 4.8: Procurement Code of Ethics

Statement	Mean	SD
Adoption of good practices and ethical standards help achieve value for money	2.04	0.475
Suppliers are treated fairly and equally throughout the Procurement process	2.13	0.548
Good practices and ethical standard enhances open and effective competition	2.13	0.626
The code of ethics adequately and clearly states the principles of integrity, professionalism, high standards, optimal use of resources and compliance with the legal framework	2.30	0.635
Procurement Governance discourages corrupt practices	2.35	0.647
Average	2.19	

Source: Research Data (2016)

An average Mean score of 2.19 implies that, the respondents agreed that a Procurement code of ethics affects Procurement performance. Specifically, they agreed that, adoption of good practices and ethical standards help achieve value for money (M=2.04, SD=0.475), that suppliers are treated fairly and equally at all stages of the Procurement process (M=2.13, SD=0.548), that good practices and ethical standard enhances open and effective competition (M=2.13, SD=0.626), that the code of ethics sets out the principles of integrity sufficiently and clearly, professionalism, high standards, optimal use of resources and compliance with the legal framework (M=2.30, SD=0.635) and that Procurement Governance discourages corrupt practices (M=2.35, SD=0.647). According to OECD (2000),

Procurement Code of ethics is important to the performance of any Procurement department. This is consistent with these study findings.

4.8 The Effect of Complaints Review Mechanism on Procurement Performance.

Finally, table 4.9 indicates the means and standard deviation the study used to determine whether the Complaints Review mechanism has an effect Procurement performance by setting out various statements regarding it. Respondents were to respond to them based on a Likert scale and the responses obtained were analyzed using means whose interpretation was as follows: 1-1.49 = strongly agree; 1.5-2.49 = Agree; 2.5-3.49 = Neutral; 3.5-4.49 = Disagree; 4.5-5.0 = strongly Disagree

Table 4.9: Effect of Complaints Review Mechanism on Procurement Performance

Statement	Mean	SD
PPARB fairly resolves disputes arising from disadvantaged candidates have suffered loss or damages due to the breach of a duty imposed on a Procuring entity	2.52	0.544
Complaints Review Mechanism plays a significant role in ensuring the enforcement of Procurement rules.	2.70	0.599
Complaints Review Mechanism enhances transparency in awarding contracts.	2.70	0.599
Complaints Review Mechanism provides adequate legal remedy to aggrieved suppliers	2.70	0.599
Average	2.66	

Source: Research Data (2016)

An average score of 2.66 implies that, the respondents are neutral on whether complaints review mechanism affects Procurement performance. This is evident as respondents share a neutral view on whether PPARB fairly resolves disputes arising from candidates who claim to have suffered loss or damage due to the breach of a duty imposed on a Procuring entity (M=2.52, SD=0.544), that Complaints Review mechanism plays a significant role in ensuring the enforcement of Procurement rules (M=2.70, SD=0.599), that Complaints Review mechanism enhances transparency in awarding contracts (M=2.70, SD=0.599) and that it provides adequate legal remedy to aggrieved suppliers. (M=2.70, SD=0.599). The Public Procurement Administrative Review Board (PPARB, 2005), provides an overall complaints and grievances mechanism covering all aspects of projects. However,

study findings reveal that respondents are neutral, meaning that they are not aware of the provisions of the PPARB.

4.9 The Relationship between Procurement Governance and Procurement Performance.

The study conducted a regression analysis to establish the relationship between Procurement governance variables and Procurement in SMEs in Nairobi CBD. The results are discussed in this section as follows:

4.9.1 Model Summary

Table 4. 10: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658 ^a	.438	.302	.43487
a. Predictors: (Constant), Procurement planning , Procurement disposal procedures, Procurement Record Management, Procurement code of ethics, Complaints Review Mechanism				

Source: Research Data (2016)

The model summary table reveals an $R^2 = 0.438$ implying that 44% of the Procurement performance is explained by Procurement governance.

4.9.2 ANOVA

The analysis of variance table reveals whether the regression equation was a good fit.

Table 4.11: ANOVA

ANOVA ^b					
Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	2.543	5	.509	3.161	.003 ^a
	Residual	3.054	19	.161		
	Total	10.426	24			
a. Predictors: (Constant), Procurement planning , Procurement disposal procedures, Procurement Record Management, Procurement code of ethics, Complaints Review Mechanism						
b. Dependent Variable: Procurement Performance						

Source: Research Data (2016)

F-critical value =**2.74**

The overall model was significant as indicated by $F(5, 19) = 3.161, p=0.003$. This implies that the model had goodness of fit and was very ideal for predicting Procurement performance of SMEs in Nairobi County given the Procurement governance variables.

4.9.3 Significance of the Regression Coefficients

Regression coefficients summarized in table 4.10 reveal the effect of Procurement governance variables such as Procurement planning, Procurement disposal procedures, Procurement Record management, Procurement code of ethics and Complaints Review Mechanism at a 95% confidence level.

Table 4. 32: Regression Coefficients

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig
	B	Std Error	Beta		
(Constant)	2.871	.460		5.635	.000
Procurement planning	.349	.119	.053	3.296	.001
Procurement disposal procedures	.455	.119	.062	3.414	.003
Procurement	.343	.151	.706	2.587	.016

Record management					
Procurement code of ethics	.692	.185	.143	3.594	.001
Complaints Review Mechanism	.243	.120	.292	2.212	.013
a. Dependent Variable: Procurement Performance					

Source: Research Data (2016)

The regression coefficients indicate that all the independent variables have a positive effect on Procurement performance. This is indicated by Procurement planning ($t=3.296$, $p=0.001$), Procurement disposal procedures ($t=3.141$, $p=0.003$), Procurement record management ($t=2.587$, $p=0.016$), Procurement code of ethics ($t=3.594$, $p=0.001$) and complaints Review Mechanism ($t=2.212$, $p=0.013$) where ($t\text{-values} > t\text{-critical value}=1.691$), meaning that all independent variables have a statistically significant effect.

β values for all the independent variables have the following implication on the dependent variable: Holding all other factors constant, a unit increase in Procurement planning increases Procurement performance by 0.349 units; a unit increase in Procurement disposal procedures increases Procurement performance by 0.455 units; a unit increase in Procurement Record management increases Procurement by 0.343 units; a unit increase in Procurement code of ethics increases Procurement performance by 0.692 units and finally a unit increase in Complaints Review Mechanism by 0.243 units. The constant value implies that holding all other factors constant, Procurement performance would be at 2.871 units.

The equation is therefore expressed as follows:

$$Y=2.871 + 0.349X_1 + 0.455X_2 + 0.343X_3 + 0.692X_4 + 0.243X_5$$

Y =Procurement Performance (Dependent variable)

X_1 = Procurement planning

X_2 = Procurement disposal procedures

X₃= Procurement Record management

X₄= Procurement code of ethics

X₅= Complaints Review Mechanism

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of a summary of the study finding, it elaborates the conclusions drawn thereof, lists the policy recommendations, suggests areas for future research and lists the limitations faced during the study.

5.2 Summary of the Study findings

The researcher established that, there was gender balance among the respondents who took part in the study. In addition, majority of them had attained higher levels of education. The study also found out that most of the respondents were Marketing and Sales managers, with some being Procurement managers. Additionally, majority had worked for more than five years in their designated roles, meaning that they had enough experience concerning the topic of study.

Regression analysis findings reveal that Procurement governance has a positive effect on Procurement performance with all the variables (Procurement planning, Procurement disposal procedures, Procurement Record Management, Procurement code of ethics, Complaints Review Mechanism) indicating a positive effect on Procurement performance. Additionally, all these variables have a statistically significant effect on Procurement performance meaning that their positive effect has a significant effect on the dependent variable.

5.3 Conclusion

The study concluded that indeed Procurement governance has a positive effect on Procurement performance. It was established that Procurement planning affects Procurement performance with respondents agreeing that an effective Procurement plan saves time and money. They also pointed out that an effective Procurement plan provides a framework to guide Procurement officers in the achievement of their tasks and duties. Additionally, the study concludes that an effective Procurement and disposal procedure affects Procurement performance especially when they are carried out in accordance with the laid down procedures in the Public Procurement Act of 2015. The study also concludes that asset disposal decisions and the reasons for taking them should be documented. Furthermore, the study concludes that Procurement Record management is vital in the procuring process

and consequently affects Procurement performance. Record management helps in retrieving crucial information whenever it is required and this makes Procurement effective. It also reduces the time needed to allocate suppliers thereby increasing Procurement performance. The study also concludes that Procurement codes of ethics are a necessary part of any procuring entity. The adoption of good practices and ethical standards help achieve both value for money and an open and effective competition which is healthy for purposes of improving the procuring process. Finally, the study concludes that a complaints review mechanism affects the Procurement performance of SMEs in Nairobi CBD. Finally, it was revealed that Complaints Review Mechanism plays a significant role in ensuring the enforcement of Procurement rules. Moreover, it enhances transparency in awarding contracts.

5.4 Recommendations for Policy Change

Based on the conclusion, this study recommends all SME's in Nairobi CBD to adopt Procurement governance practices such as Procurement planning, Procurement Disposal procedures, Procurement Record management, Procurement Code of ethics and Complaints Review mechanism. This is because these practices improve Procurement performance which in turn ensures that there are no loopholes through which public resources can be misappropriated. Through Procurement planning, SMEs will improve the quality, cost and flexibility of their entire procuring process which has a direct influence on the competitive capability of the SMEs to meet customer needs. An effective Procurement Disposable procedure will ensure transparency and accountability which reduces wastage of public resources. A well-managed Procurement record system is a sign of good management. Additionally, proper record management is a vital aspect of ensuring transparency and accountability. On the other hand, maintaining the right Procurement Code of ethics that is based on integrity, fairness and transparency fosters professionalism, which in turn improves Procurement performance.

Finally, an overall complaints and grievances mechanism that covers all aspects of a Procurement project serves to provide adequate legal remedies to aggrieved suppliers as well as enhancing transparency and accountability.

5.5 Limitations of the Study

The researcher faced some limitations during this study that are highlighted in this section. There were difficulties in terms of the response rate as some respondents were reluctant to provide information by filling the questionnaires. Their main concern was that the information sought would be used against their SMEs. However, the researcher managed this limitation by assuring them that the information was only meant for academic purposes and that it would be treated with utmost confidentiality.

The researcher also emphasized that, the information that was being collected from the respondents was needed urgently and will be used to assist them in their businesses. This was because their tight schedules threatened to derail the data collection process. The respondents also had difficulties understanding the requirements of some of the questions set out in the questionnaires. As such, the researcher had to explain to them what was expected in order for them to fill in the right information.

5.6 Areas of further Research

This study was mainly based on all SME's in Nairobi CBD. The study therefore recommends future studies to be conducted from other geographical areas for purposes of comparing the findings.

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APPENDIX I: RESEARCH QUESTIONNAIRE

The questionnaire below has five sections; Part I; will consist of respondents' general information while Part II, will address the research questions; section A, will deal with the effect that Procurement planning has on the performance of SMEs in Nairobi CBD. Section B; will look at the effect of Procurement disposal procedures on the performance of SMEs in Nairobi CBD. Section C; will address Procurement Record management and the performance of SMEs in Nairobi CBD. Section D; The impact of Procurement Code of Ethics and conduct on the performance of SMEs, Section E; will look at the challenges in the implementation of Complaints Review Mechanism on the Procurement function and the performance of SMEs.

PART I:

Demographic Information

1. Gender

☐

Male

☐

Female

2. Highest level of education

☐

PhD

☐

Masters

☐

Degree

☐

Diploma

☐

Certificate

3. Designation of respondent

☐

Procurement Manager

☐

Procurement Officer

☐

Marketing & Sales Manager

☐ Accountant/Auditor

Others, (please specify).....

4. For how long have you been in this position?

☐ Less than 5 years

☐ 6-10 years

☐ 11-15 years

☐ 16 and above

5. How long has the firm been in operation?

☐ Less than 5 years

☐ 6-10 years

☐ 11-15

☐ 16 and above

6. Ownership

☐ Private

☐ Public

7. Nature of Business

☐ Telecommunication

☐ Service

☐ Pharmaceuticals

☐ Food and beverage

PART II: RESEARCH QUESTIONS

SECTION A

The effect of Procurement planning on the performance of SMEs in Nairobi CBD.

Kindly indicate by ticking the extent to which you agree with the statement according to the key below:

1=Very small extent 2=small extent 3=Moderate 4=Large extent 5=Very large extent

Statement	1	2	3	4	5
An effective Procurement plan provides a framework to guide Procurement officers in the achievement of their tasks and duties.					
An effective Procurement plan saves time and money					
An effective Procurement plan ensures compliance with regulatory policies					
Good supply planning practices are used to ensure timely Procurement of goods and services					

Others, (please specify).....

.....

SECTION B

The effect of Procurement disposal procedures on the performance of SMEs in Nairobi CBD.

Kindly indicate by ticking, the extent to which you agree with the statement according to the key below:

1=Very small extent 2=small extent 3=Moderate 4=Large extent 5=Very large extent

Statement	1	2	3	4	5
Procurement and disposal of goods and equipment by Procurement entities are carried out in accordance with the procedures laid down in the Public Procurement Act, 2015					
Disposal of assets should be based on a fair market value for each surplus item					
Procurement entities dispose of their goods and equipments in a manner that is efficient, consistent, equitable and in accordance with the principles of the Public Procurement Act.					
Asset disposal decisions, and the reasons for taking them, should be documented.					

Others, (please specify).....

.....

SECTION C:

Procurement record management and the performance of SMEs in Nairobi CBD

Kindly indicate by ticking the extent to which you agree with the statement according to the key below:

1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly disagree

Statement	1	2	3	4	5
Record management helps in retrieving of crucial information when required					
Good record keeping practices reduce vulnerability to legal challenge.					
Record management reduces the time to allocate suppliers hence reduced cycle time					
Good record keeping promote efficiency in terms of human resources.					
Records keeping enhance co-ordination of the information use, maintenance and control.					

Others, (please specify).....

.....

SECTION D:

The effect of Procurement Code of Ethics on the Procurement performance among SMEs in Nairobi CBD

Kindly indicate by ticking the extent to which you agree with the statement according to the key below:

1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly disagree

Statement	1	2	3	4	5
Adoption of good practices and ethical standards help achieve value for money					
Suppliers should be treated fairly and equitably at all stages of the Procurement process					
Good practices and ethical standard enhances open and effective competition					
Procurement Governance discourages corrupt practices					

The code adequately and clearly sets out principles of integrity, professionalism, high standards, optimal use of resources and compliance with the legal framework.					
--	--	--	--	--	--

Others, (please specify).....

.....

SECTION E:

The challenges in the implementation of Complaints Review Mechanism on the function of Procurement among SMEs in Nairobi CBD

Kindly indicate by ticking the extent to which you agree with the statement according to the key below:

1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly disagree

Statement	1	2	3	4	5
PPARB fairly resolves disputes arising from candidates who claim to have suffered loss or damage due to the breach of a duty imposed on a Procuring entity					
Complaints Review Mechanism plays a significant role in ensuring the enforcement of Procurement rules.					
Complaints Review Mechanism enhances transparency in awarding contracts.					
Complaints Review Mechanism provides adequate legal remedy to aggrieved suppliers					

Others,(please specify).....

.....

SECTION F

Procurement performance

Kindly indicate by ticking the extent to which you agree with the statement according to the key below:

1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=strongly disagree

Statement	1	2	3	4	5
Good practices and ethical standard improves Procurement performance					

Good record keeping promote efficiency in Procurement governance					
Procurement entities dispose of their goods and equipments in a manner that is efficient, consistent, and equitable in accordance with the principles of the Public Procurement Act. This improves Procurement performance					
The tendering process has ensured transparency in Procurement					
Procurement governance discourages corrupt practices					
Proper tendering process results to good quality of good/services procured.					

Thank You for participating.

APPENDIX II: LIST OF REGISTERED SMALL MEDIUM ENTERPRISES IN NAIROBI CBD.

The list of SMEs was extracted from the PPOA website. The list has 38 SMEs

1. Capital ICT enterprises
2. Prestige Bookshop enterprises
3. Malibu Pharmacy Ltd
4. Adva Tech Ltd

5. Primetect ltd
6. Pharmasinya Ltd
7. Trophical Opticians
8. Baku Kenta Ltd
9. Pioneer Savings and Loans
10. Lite Price Ltd
11. Chemo quip Ltd
12. City Motorcycles and Auto Ltd
13. Projector Technologies and Co, Ltd
14. Mobi Africa Limited
15. Newline Furniture Ltd
16. Recours Four Kenya Consultant Ltd
17. Air fall Cooling Services
18. Axis Business Concept
19. Ice pay Business Solutions ltd
20. Mega wholesalers solutions Ltd
21. Copyright Furniture Ltd.
22. Giovani Enterprises
23. Edarns Enterprises Ltd
24. Soko Huru
25. Briantony International Consultants
26. NikoHapa Ventures Ltd
27. Offers Africa Limited

- 28. Viffa Consult Limited**
- 29. Ice pay Business Solutions ltd**
- 30. Mega Wholesalers Ltd**
- 31. CUTLERY DUKA - NAIROBI**
- 32. OneSource Financial Services Ltd**
- 33. Urban Properties Consultants & Developers Ltd**
- 34. DIPEK initiative Kenya.**
- 35. Edarns Enterprises Ltd**
- 36. TasKwetu**
- 37. Wallpaper Kenya**
- 38. BTL Consulting Ltd**
- 39. Deluxe Fruits Ltd**
- 40. FUTURESOFTECHNOLOGIES**