

**FACTORS INFLUENCING CAPACITY BUILDING IN
PROJECT PROCUREMENT PROCESSES IN KENYA:
A CASE OF GEOTHERMAL DEVELOPMENT COMPANY**

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DECLARATION

I declare that this research project is my original work and has not been presented for an academic award in any other University.

Signature.....

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

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DEDICATION

I wish to dedicate this work to my mother Rosemary Mumaraki for her inspiration, support and encouragement.

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I am deeply indebted to all those who in their own individual ways contributed directly or indirectly to the completion of this project. I salute Dr. Angeline Mulwa the research project supervisor and moderator respectively for her scholarly advice and timely interventions in aligning my work. Without her support I would not have reached this far.

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TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	vii
LIST OF FIGURES	viii
ABBREVIATIONS AND ACRONYMS	ix
ABSTRACT	x
CHAPTER ONE:INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Kenyan Policy on Capacity building	2
1.1.2 Background on projects in Geothermal Development Company	3
1.1.3 Project procurement challenges in Kenya	4
1.2 Statement of the problem	5
1.3 Purpose of the study	6
1.4 Objectives of the study	6
1.5 Research questions	6
1.6 Significance of the study	7
1.7 Basic assumption of the study	7
1.8 Limitation of the study	7
1.9 Delimitation of the study.....	8
1.10 Definition of significant terms used in the study	8
1.11 Organization of the study	9
CHAPTER TWO:LITERATURE REVIEW	10
2.1 Introduction	10
2.2 The Concept of Capacity building	10
2.3 Resources availability and capacity building	13
2.4 Organizational Culture and capacity building.....	14
2.5 Needs Analysis and capacity Building.....	16
2.6 Theoretical Framework	17
2.7 Summary of literature review.....	22

CHAPTER THREE: METHODOLOGY	23
3.1 Introduction	23
3.2 Research design.....	23
3.3 Target population	23
3.4. Sample size and sampling Technique	24
3.5 Research instruments.....	24
3.5.1 Piloting of instruments.....	24
3.5.2 Validity of the instrument.....	25
3.5.3 Reliability of the instrument.....	25
3.6 Data Collection procedure.....	25
3.7 Data Analysis Techniques.....	26
3.8 Ethical Consideration	26
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION	28
4.1 Introduction	28
4.2 Questionnaire Return Rate	28
4.3 Demographic characteristics of the Respondents.....	28
4.3.1 Age of the respondents	28
4.3.2 Gender of the respondents	29
4.3.3 Working experience in the organization.....	30
4.3.4 The department of the respondents.....	30
4.3.5 The position of the respondents in their department	31
4.4 Factor influencing Resource Availability and Capacity Building	34
4.5. Factor influencing Organizational Culture and Capacity Building.....	37
4.6 Factors influencing Need Analysis and Capacity Building	40
CHAPTER FIVE: SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS	44
5.1 Introduction	44
5.2 Summary of findings.....	44
5.3 Discussions of the Findings	45
5.4 Conclusions	46
5.5 Recommendations	47

5.5.1 Suggestions for further studies	47
REFERENCES	48
APPENDICES	52
Appendix I:Letter of transmittal.....	52
Appendix 2:Questionnaire.....	53
Appendix 3:Letter of introduction from the University	58
Appendix 4:Research permit from National Commission for Science, Technology and innovation.....	59

LIST OF TABLES

Table 2.1: Gaps in literature review	21
Table 3.1: Operationalization of variables	27
Table 4.1 Age of the Respondents	29
Table 4.2 Gender of the respondents	29
Table 4.3 Working experience	30
Table 4.4 Department of the respondents	31
Table 4.5 Position of the respondents	31
Table 4.6: Capacity building on project procurement processes	32
Table 4.7: Multi-collinearity Diagnostics	33
Table 4.8: Strength of the Resource Availability Model	34
Table 4.9: Strength of the Organizational Culture Model	38
Table 4.10: Strength of the Need Analysis Model.....	41
Table 4.11: Pearson’s Correlation Coefficient Matrix of the Relationship between the Explanatory Variables and the Dependent Variable	43

LIST OF FIGURES

Figure I: Conceptual Framework.....	20
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ABBREVIATIONS AND ACRONYMS

CPST	Centre for parliamentary studies
GDC	Geothermal Development Company
ICT	Information communication and technology
NCBF	National capacity building framework
NITA	National Industrial training Authority
UNISDR	United office of disaster risk reduction
UNESCO	United Nations Educational, Scientific and cultural organization

ABSTRACT

The purpose of the study was to determine factors influencing capacity building in project procurement processes in Kenya. The study objectives were; to establish factors influencing resource availability in project procurement processes: identifying need analysis in capacity building, the influence of organizational culture in project procurement processes, to determine the influence of training and development and improved procedures in capacity building. The target population was employees in procurement department, project department and human resource department in charge of training in Geothermal Development Company. The total population was 50 employees include 28 procurement, 12 project and 10 human resource employees in the study. Questioners were administered to all the 50 targeted employees but 43 employees (86%) filled and returned the questioners. The study employed simple random sampling techniques to select the sample for the study. The primary data was collected using questionnaires which were self-administered to the respondents. The researcher obtained a letter of introduction from the University of Nairobi and secured a permit from the National Commission for science, technology and innovation; both qualitative and quantitative data were analyzed using descriptive statistics by use of graphical and numerical methods of central tendency and measures of variability to present the results. Primary data was collected using questionnaires that were administered by drop and pick methods .Data from the questionnaires were coded, tabulated and analyzed. Editing was done to improve the quality of data for coding. The coded data was fed into statistical package for social science (SPSS) version 20.Regression analysis was used to investigate the relationship between variables and capacity building in project procurement processes. Capacity building on project procurement processes was inclusive of availability of skills and knowledge to accomplish the tasks assigned to employees. There was continuous evaluation of duties to ensure identification of challenges. Capacity building and resource availability indicates that a change in capacity building could be explained by change in the resource availability. Findings revealed that resource availability was positively associated with the dependent variable (capacity building). Organizational culture and capacity building was interpreted as an estimated twenty-four percent a change in capacity building is explained by organizational culture. Organizational culture is positively correlated with capacity building and statistically significant. This implies that based on the sampled data, one would expect change in organizational culture that will influence capacity building; Organizational culture has a causal effect on capacity building. Need Analysis and capacity building indicate a degree of variability in need analysis to be able to predict capacity building was considered quite minimal. This revealed a positive correlation between needs analysis and capacity building. Need analysis is positively correlated to capacity building. The study sought to determine factors influencing capacity building in project procurement processes. The issues of organizational culture should be addressed to improve the image of the organization. Resource availability has not been adequately addressed in the organization the organization should allocate adequate resources for project procurement processes. The needs within the organization should be addressed by allowing the staff to participate in decision making together with the management.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Capacity building refers to effort to generate knowledge, skills and expertise in order to enhance analytical capacity that may assist in increasing productivity and sustenance (Nell and Napier, 2006). It also refers to investment in people, institutions and practices that will together enable countries in the region to achieve their development objectives (World Bank, 1997). The UNISDR defines capacities building as the process by which people, organizations and society systematically stimulate and develop their capability over time to achieve social and economic goals, including improvement of knowledge, skills, systems, and institutions within a wider social and cultural enabling environment. Capacity building is a dynamic social process because it continuously seeks to develop the organization and its stakeholders to higher levels of capacity. Capacity building is the driving force of any organization and its people who are the builders of capacity. It involves pushing boundaries, developing and strengthening, making an individual or organization better to serve not only in the primary interest of its targeted population groups but also in its stakeholders (Lusthaus, Adrien & Perstinger, 1999).

Most organizations are involved in capacity building for achieving development goals and contributing to sustainability, which is seen as a long lasting result of capacity building. These organizations enhance or accelerate the internal process of capacity building especially in terms of specific skills through planned interventions, such as technical assistance and training courses. (Brown, LaFond & Macintyre, 2001). The Global Procurement Conference raised awareness for the planetary implications of joint decisions regarding finding answers to a wide array of contemporary procurement issues.

Capacity Building and Professionalism in Procurement being the key agendas. They recommended that capacity building in procurement must be conducted before the implementation and during the stages of implementing the projects which is supported by providing technical and financial assistance from the funders of the project (Global procurement, 2016). Capacity building can be enforced with development projects in order to have a more robust structure and to be adaptive to changes. Capacity building is not only as human resource

development but also as organizational and institutional development. Factors influencing include resources like finance and manpower, organizational culture include systems and policies while Capacity building focus on the Training and development, equipping/Tooling (UNESCO, 2010).

Capacity building has various theories that support its development: The human relations theory or behavioral that manages and lays a foundation for the development of new hypothesis of motivation of work, morale and productivity, are related to social relationship among workers and supervisors. An organization is a social system of cliques, grapevine, informal status system, rituals and a mixture of logical, non-logical and illogical behavior. It's a web of social relations in formal and informal ways; the logic allows that appreciative attitude and behavior of employees certainly enable them to raise their capabilities for the personal betterment and organization's performance (Agrawal, 2002). System theory is an open organic of living system that must satisfy their conditions for the continuity survival. It should be stable in various departments and relate with one another. The organization should mature like all other living entities in organizational culture, resources, equipping /tooling and training (Agrawal, 2002).

1.1.1 Kenyan Policy on Capacity building

The National Government facilitates the devolution of power; assist and support county governments in building their capacity. They govern effectively and provide Public services. Under section 121 of The County Governments Act 2012, For the National Government ministry or department responsible for matters relating to intergovernmental relations to provide support to county governments and enables them to perform their functions effectively. The Kenya School of Government Act No.9 of 2012 mandates the School to build capacity and provide training, consultancy and research services to the Public Service. A National Capacity Building Framework [NCBF] has been developed to support the capacity building for devolved governance. The Kenya School of Government and the Centre for Parliamentary Studies (CPST) and other institutions of higher learning are obligated to use the framework. To address the capacity needs of institutions in the counties, there still exist training and skills gaps in the public service. Major challenges have been experienced in the management of public finance,

information and communication technology, human resource management, procurement, development planning, research and development, as well as leadership.

Policy Objective includes empowerment of employees in both levels of government to provide efficient and effective public services, with policy Measures of Conducting continuous training needs assessments for employees in the ministries, County executives and assembly members. Develop and implement curricula to address training needs, promote professionalism and merit in public service, provide technical assistance in ICT and other technical areas, provide funding to the Kenya School Of Government to enable it achieve its mandate of capacity building for the public service, develop performance appraisal systems to monitor and evaluate the effectiveness of the trainings. (Devolution policy draft, 2015)

1.1.2 Background on projects in Geothermal Development Company

Under the Vision 2030 economic blueprint, the strategy is to undertake reforms in various sectors that form the foundation of socio-political and economic growth, key among them boosting power generation from renewable energy sources to drive industrial and commercial activities. Low carbon energy from a mix of geothermal, wind and hydro is already being fed into the national grid, helping to diversify the energy mix and a key driving factor towards the growth of the country's economy. The ambitious plan by the Kenyan government to inject 5000+ MW into the national grid in the next five years is already on course. Of the projected capacity, the largest chunk will be from geothermal sources. Kenya currently has the geothermal potential of 10,000MW. Already 609MW is being produced from the huge untapped potential for base load electricity generation. Under the 5000+ MW programme through which the Government expects to enhance access to electricity, it is intended to develop a total of 1600 MW of geothermal capacity in Olkaria, Menengai, Baringo, Suswa, Longonot and Akiira.

GDC has various projects that it has been undertaking over the last 6years namely: The Construction of access roads and drill pads, Construction of a water reticulation system, Drilling and testing of 210 wells. GDC obtains all land rights, permits and undertakes expansion of the road network, drilling water reticulation system, drilling of several exploration wells to confirm presence of the resource. GDC then undertake all the remaining drilling works (appraisal,

production and re-injection), feasibility study(s) and construction of the necessary steam gathering and reinjection network. This segment of the project will be developed jointly by GDC and the selected joint steam development investors and then steam is sold to competitively selected power plant operators for electricity generation.

1.1.3 Project procurement challenges in Kenya

Project procurement is an area that is prone to mismanagement, corruption, and vendors ploys. One of the major causes of project procurement problems is a lack of competent procurement workforce (Thai, 2011). The most effective procurement practitioners in project have a blend of competency, good relationship, management and communication skills and an ability to think laterally (Guinipero, 2000). Thus certified public procurement specialists are also required to perform in a more constructive manner. The public procurement system in Kenya since 1978 has evolved from a crude system with no regulations to an orderly legally regulated procurement system currently in use. However, many times, the procurement process is complicated with disputable settlement mechanisms relating to tender awards procedures, unfairness and lack of transparency. Many institutions including public universities experience difficulties during pre-qualifications, staging competitive procurement process, warehousing supplies, carrying out quality assurance, clearing at customs, over and under-invoicing in imports and local procurements and availing adequate finances equivalent to sourced resources to implement the Act (Kimaiyo, 2012).

In addition, there is evidence of malpractice that affects public sector procurement for example; vehicle repair documents are often not used. Sometimes invoices, receipts and other documents are faked. Other challenges include inadequate trained staff in procurement department, poor sensitization or training to tender committee members, resistance to change by the implementers of PPDA, resistance to change by existing suppliers, influence from external stake holders and the size of the institution. These challenges are faced with consideration in mind that the economic results must be measured against more complex and long-term criteria. Furthermore, other considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. Unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity,

accountability, national interest and effectiveness. Project procurement process in Geothermal Development Company has various procurement challenges that need to be addressed to ensure projects are effective and efficient in government institutions

1.2 Statement of the problem

Capacity building is the driving force of any organization and its people, people are the builders of capacity. It involves pushing boundaries, developing and strengthening, making an individual or organization better to serve not only in the primary interest of its targeted population groups but also in its stakeholders (Lusthaus, Adrien & Perstinger, 1999). Various studies have been carried out on the challenges facing the implementation of procurement strategy (Obiero, and Kiburi, 2008). Obiero (2008) studied on challenges facing the Ministry of Education in implementation of Procurement Policies showing that government policies on procurement strategy are good but poor implementation was noted.

Kiburi, (2008) study indicates that there is need to compete with the market competitors in the changing environment, mostly in technology that is competitive. The market is the major factor that has influenced firms to adopt e-procurement to turn around their businesses. Organizations enhance or accelerate the internal process of capacity building especially in terms of specific skills through planned interventions, such as technical assistance and training courses (Brown, LaFond & Macintyre, 2001). The Global Procurement Conference (2016) whose main agendas were Capacity building and Professionalism in Procurement raised awareness for the planetary implications of joint decisions regarding finding answers to a wide array of contemporary procurement issues. They recommended that capacity building in procurement must be conducted before the implementation and during the stages of implementing the projects which is supported by providing technical and financial assistance from the funders of the project.

Oginda (2013), Carried out a research on challenges that Kenya Power & Lighting Company faces in the implementation of procurement strategy. His research revealed that Kenya Power and Lighting Company are challenged in effecting procurement plan. He recommended that Companies should train procurement staff to improve on skills, particularly on tender evaluation, selection of evaluation criteria, tender awards and management of contracts. He also

recommended inculcation of team building spirit among staff and encouraged enhancing communication for information sharing. None of the above researches have been done on Factors influencing Capacity building in project procurement processes in Kenya, The study sort to establish factors influencing capacity building in project procurement processes in Kenya.

1.3 Purpose of the study

To determine the factors influencing capacity building in project procurement processes in Kenya.

1.4 Objectives of the study

The specific objectives are as follows:

- i) To determine factors influencing training and development in capacity building of project procurement processes?
- ii) To establish the influence of resource availability on capacity building in project procurement processes.
- iii) To determine how organizational culture influences capacity building in project procurement processes.
- iv) To establish how needs analysis influences capacity building in project procurement processes.

1.5 Research questions

Research questions that were used to guide the study are:

- i) What are the factors influencing training and development in capacity building on project procurement processes?
- ii) What are the influences of resource availability on capacity building in project procurement processes?
- iii) How does organizational culture influences capacity building in project procurement processes?
- iv) How does needs analysis influence capacity building in project procurement processes?

1.6 Significance of the study

The study will be of great importance to the government as it applies the findings to ensure challenges affecting the project procurement are addressed and projects are completed successfully. Furthermore, projects may be established to put mechanisms in place to ensure that factors influencing capacity building in project procurement processes in Kenya are given adequate funding and are completed as per the stipulated time. The study provides useful information that helps the management of Geothermal Development Company of Kenya in addressing capacity building challenges to ensure procurement of projects are initiated and completed successfully.

The study findings are expected to be of great importance to various researchers involved in policy making. The report of the study will be easily acquired in the library and will provide the learners with relevant information on factors influencing capacity building in project procurement processes. The study further makes a myriad contribution to the literature on determinant of factor influencing capacity building in project procurement processes which are part of articles that are helpful to researchers who want to further on their study.

1.7 Basic assumption of the study

It was assumed that all the selected respondents were to answer all the questions on the questioner openly and honestly and to the best of their ability, but unfortunately 86% of the employees targeted responded.

1.8 Limitation of the study

The study was limited because project, procurement and human resource employees are deployed in the various regions; headquarters, south rift, central rift and North rift regions, within the geothermal drilling site hence accessing majority of them was difficult considering some are working on the shift of two weeks working and two weeks off in a month as per the company schedule.

1.9 Delimitation of the study

The study was delimited to employees directly involved in the project procurement processes in Geothermal Development Company excluding other companies that have projects as part of their core procurement function in the organization.

1.10 Definition of significant terms used in the study

Capacity building: Capacity building is a concept that has different meanings for different people, but in general relates to enhancing or strengthening a person's or organization's capacity to achieve their goals.

Need Analysis: The process of identifying and evaluating needs in a community or other defined population of people.

Organizational culture: This is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization.

Procedural improvements: This the proactive task of identifying analyzing and improving upon existing business processes within an organization for optimization and to meet new quotas or standards of quality.

Resources: Are facilities required to carry out the project tasks, they can be people, equipment, facilities or funding.

Training and development: Refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies.

1.11 Organization of the study

The proposal is divided into five chapters. Chapter one consists of the background to the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study, limitations, delimitations, assumptions, conceptual definition of terms used and organization of the study. Chapter two consists of literature review on the factors influencing capacity building in project procurement processes by scholars who have studied the subject in different project procurement contexts. The chapter provides the conceptual framework outlining the relationship between the dependent and independent variables identified in the study. Chapter three outlines the research methodology, the research design, target population, sample size and sampling techniques, research instruments, validity and reliability of the instruments, data collection procedures and data analysis techniques, ethical consideration and operationalization of variables. Chapter four consists of Data analysis, presentation and interpretation. Chapter five consists of summary of findings, discussing and conclusion and recommendation and finally the References and Appendices.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter discusses literature as depicted by the previous researchers based on the objectives of the study. In particular the chapter discusses; Capacity building, Resources availability, Organizational culture, Theoretical framework, Empirical framework and conceptual framework.

2.2 The Concept of Capacity building

In the last two decades, the term ‘capacity building’ has continued to gain popularity among practitioners in government and NGOs (Hartwig et al. 2008; McPhee and Bare in Vita and Flemming 2001). However, this does not imply that it is a new concept. According to Backer (2001) capacity building activities of foundations in western countries date back to the 1970s most of which were in form of philanthropic efforts. Wing (2004) argues that the term ‘capacity building’ exists at a high level of abstraction and therefore takes a large area. This has in turn complicated attempts towards a conventional definition. As Hartwig et al. (2008) observes, there exist many definitions of capacity building. They conceive ‘capacity building’ to imply development of sustainable and robust systems. Wing (2004) considers capacity building as increasing the ability of an organization to fulfil its mission. Backer (2001) considers the concept as efforts towards strengthening nonprofits so that they can achieve their missions.

These definitions therefore imply that capacity building refers to interventions that seek to develop an organization’s ability to achieve its mission sustainably. Capacity building involves three main types of activities. As Backer (2001) points out, the first activity is assessment of both inside the organization and the community environment. However, he argues that the latter should precede internal assessment in order to understand the organization’s needs assets and readiness to change. The second main activity is intervention which can be categorized into three types: management consultation which focuses on process issues like building strategic plans; training of staff to learn specific skills to run the organization; and technical assistance which entails site-based support. Lastly, direct financial support is the other main capacity building activity and comprise core operating support which is general funding not earmarked for any specific purpose; specific grants to fund special projects; and working capital which are usually

loans with favorable repayment terms to meet both short and long-term financial needs. IHA (2002) pointed out several capacity support strategies for most community OVC initiatives in East and Southern Africa. They include: training in key programmatic areas such as organizational development and financial management; facilitation of exchange visits for participants to learn from each other and share experiences; and support visits that entail offering advice, practical assistance, mentoring, monitoring, encouragement and constructive criticism. Other strategies comprise networking with related initiatives and like-minded partners through joint meetings or sharing documentation; and monitoring and evaluation. In a study in Ghana, Opare (2007) identified leadership development, networking with both local and external organizations, and registration with public agency as the most sustainable capacity support strategies for community based organizations.

Brown, Laford & Macintyre(2001) indicate that most development organizations are involved in capacity building for achieving development goals and contribute to sustainability, which is seen as a long lasting result of capacity building. The organizations enhance or accelerate the internal process of capacity building in terms of specific skills through planned interventions, such as efficiency and effectiveness while factors that influences include; resources, organizational culture and needs analysis. Organizations that embrace training and development practices are able to retain their customers, suppliers, employees, shareholders and other stakeholders in the long run as they are deemed more trustworthy and better custodians of the interests of the various stakeholders. This translates into better financial performance for the business (Noe, 2001). An organizations department that seeks to train and develop its employees well and reward them for their performance has its employees in turn motivated and thus is more likely to engage in their work hence improving their performance and loyalty to their company. These same employees being the point of contact with customers will provide better service, leading to more repeat business and more referrals from the satisfied customers. The increase in sales through repeat business and referrals will translate into an increase in business profits thus improving shareholders' investment. The shareholders are therefore benefiting from the increased returns on their investment and may choose to increase their investment into the business (Myles, 2002). The virtuous circle is described by a reciprocal relationship between training and development and performance. conducted an eleven year study and found that organizations with cultures that

emphasized training and development within departments, ethical values in every area with regards to employees, customers and stakeholders, as well as leadership from managers, outperforms companies that do not have this cultural characteristics by a huge margin (Lisk, 1996 & Learner, 1986). Where values are clarified, shared, productivity and job satisfaction increase (Seligman, 1978). Training and development activities such as workshops, skill-building seminars, job or task-force assignments, independent reading, videotapes, or other types of learning activities can be very valuable for skill development (Goldstein, 1993). Career exploration activities can also be quite useful to employees in career development efforts. Appropriate feedback systems (such as 360-degree ratings) are among the useful resources that might be provided (Greenhaus, 1988).

According to Hamed (2009), Internal System refers to an organized amalgamation of functions and procedures, within a complete system of controls established by the management and whose purpose is the successful function of the business operations in the department (Hongming and Yanan, 2012), adds that Internal System resembles the human nervous system which is spread throughout the business carrying orders and reactions to and from the management to the subordinates within the departments. It is directly linked to the organizational structure and the general rules of the department (Whittington, 2001) defined a system of internal control as being beyond those matters which relate directly to the identification of the need to final procurement process of the user receiving the good or service. In addition, he notes that internal control is a systematic procedure which will lead to evaluate the degree of correlation between those established criteria and the real results of the project. The objective purpose of Internal Control is on the one hand, the allowance of specific and high level of services offered towards the suppliers and the end users of the final products and on the other hand, the allowance of assistance towards the members of the organization for the most effective practicing of their duties. Improved procedures are being implemented in organization as tools that add up value to the company. In this way, we can achieve a systematic approach towards the most effective operation of the organization, as a unity (Schleifer and Greenwalt, 1996). The COSO report internal control is defined as a procedure which offers fundamental security to the business concerning the credibility of the procurement operations.

2.3 Resources availability and capacity building

Allocation of resources is the apportioning of productive assets among different uses in a project. Resource allocation arises as an issue because the resources of a project are always limited in supply and because any given resource can have many alternative uses, resources are people, money (Kithinji.2015). Manpower and finances as the resources that affect the influence of capacity building in project procurement processes. Identifying needs, developing strategies to address these needs, and allocating scarce resources creates a balance within the organization. This is important because the selected resources will influence not only the types of approaches that can be taken but also the indicators of success that are likely to be achieved. Like natural resources, time, money, and human capital are usually scarce or difficult resources to access. (Fleming et al 2001)

All organizations have at least four types of resources namely: financial, physical, human resources and technological resources. These resources are available to an organization as simple tangible resources (money, human resources and infrastructure) or intangible resources such as public power e.g. in law enforcement and tax collection or knowledge base. Resource based view to strategy management view knowledge, skills and experience of human resource as a key contributor to firm's bundle of resource and capabilities (Musyoka, 2008). Johnson et al.(2005) argues that putting strategy into action is concerned with ensuring that strategies are working in practice. It involves structuring an organization to support successful performance. This includes organizational structures, processes and relationships. It also involves enabling success through the way organization resources such as people, information, finances and technology support strategies.

Unless these resources are carefully managed, they can be misused, leaving few feasible options for improving the quality of work in the department. If employees have a sense of ownership in the decision-making processes and feel that scarce resources have been distributed in an equitable and fair manner, the likelihood of success is greatly improved. As the organization seeks resources whether recruiting staff or seeking funds for projects towards meeting their vision and mission of the organization come into play. (Fleming et al 2001)

Adequate availability of financial resources is one of the determinants of effectiveness. To achieve an effective budget, the organization must ensure that it have adequate access to financial resources in order to finance its projects and to carry out its activities. The management team should plan and come up with a budget before implementing projects (Dunk, 2001). The organization must allocate adequate financial resources and other structures that facilitate effective implementation of projects and other organizational for example adequate allocation for funds to facilitate effective budget implementation. These resources should be both financial and physical resources (Hancock, 2009).

According to Omvia (2015), public sector capacity building's main aim is to strengthen targeted human resources (managerial, professional and technical) in particular institutions, and to provide those institutions with the means whereby these resources can be arranged and sustained effectively in order to carry out planning, policy formulation, and implementation tasks throughout government on any priority topic. The concept of capacity building has recently taken on a new meaning: as a protection term to include organizational building and human resource development, which are associated with 'a developing organization management of development policies and programs'. Resources comes in many forms. Financial resources are arguably the most central Aspect of the organization's resource pool because they can affect the recruitment of human resources (paid staff, volunteers, and board members) and the acquisition of physical resources (such as building space and equipment)

2.4 Organizational Culture and capacity building

In a 2002 overview of capacity building efforts within the United States, findings Showed that the majority of work commonly Referred to as "capacity building" Was focused at the organizational level(Light&Hubbard,2002).Organizational capacity building seeks to strengthen. The ability of an organization or agency to achieve a desired outcome. Capacity building in this area can be defined as: "Supporting organizations to build and maintain the skills, infrastructure, and resources to achieve their mission."(United Way of Calgary and Area, 2011).In order to effectively Support organizations to achieve the above, understanding of the features and elements of organizational effectiveness is necessary. Too often, funders, capacity builders, and organizations are focused on the process of capacity building as opposed to the outcome of

capacity building. Enhanced Understanding of the components of organizational effectiveness can support capacity building efforts to be effective and targeted. Organizational culture has been studied by various groups but there is no one agreed definition. The theory and practice of organization changes and development are 3 important to understanding organization culture (Bryson, 2008). The anthropology sees culture as a framework for influencing behavior and actions. Schiffman and Kanuk(2007), defines culture as learned beliefs, values, and customs that directs the consumer behavior of society members. Organizational culture is defines as a collection of traditions, values, policies, beliefs, and attitudes that governs for everything we do and think in an organization (Mullins, 2003; Robbins and Coulter, 2002). Parker (2011) notes that organizational culture as a behavior, driven by its leader in guiding its member in performing daily work; while ideologies, vision, mission, and values sets the tone.

According to Hofstede (1991), culture is collective programming of the mind which uniquely identifies the members of one category of people from another. The definitions imply that organization culture is either a critical variable or a root metaphor (Smircich, 1983). Culture as critical variable emphasizes a perceptive dimension that organization 'has' since employee perceives culture on basis of what they see, hear or experience. Organization culture as a root metaphor or process emphasize culture as something an organization 'is' which is negotiated and not observable that they describe rather than evaluate. There are usually different capacity building recipients or benefactors. These are individuals, organizations, and sector, thematic, geographic or issue-based networks and coalitions. Increasingly, institutional donors now give support for capacity building at government and civil society levels; not only to improve performance directly but also to increase accountability and mutual engagement in policy making under a governance agenda. One of the first challenges for anyone that wants to design effective processes to monitor and evaluate capacity building is establishing whose capacity is the focus of that M&E, and where the external support comes from, (Simister.N&Smith.R,2010).It's important that the Organizational culture is developed to support continuous improvement in employee's performance so that employees are able to identify with the values, norms and artifacts of the organization, hence the need for organizational culture (Ojo, 2009).

Capacity building embraces the principle that investing in the human and social capital of marginalized individuals and groups enables them to develop the capacities needed to thrive, and to play an autonomous role in developing and renewing their communities (Bentley et al, 2003). According to Mckinsey(2001), The culture holds the organization together, an important reason why employees are willing to accept relatively low pay and work so hard. Because of its pervasiveness and importance, culture is difficult to change. The strong culture can also dilute the desired impact of capacity building, especially in organizations that are decentralized or that champion the autonomy of local operating units. Managers need to bring along their staff carefully if they intend to make any dramatic changes (Mckinsey,2001).

2.5 Needs Analysis and capacity Building

Need analysis is the process of identifying and evaluating needs in an organization. A need is a gap between what is and what should be, (Witkin and Altschuld,1995). A need has also been defined as a gap between real and ideal that is both acknowledged by organizational values and potentially amenable to change (Reviere et al.,1996). Need analysis focuses on the future, or what should be done, rather than on what was done as is the focus of most program evaluations, (Titcomb, 2000). Needs assessment is the first step in capacity building. It is important that the needs assessed at this stage are addressed appropriately by designing and delivering capacity building interventions. If this stage is not followed by the other stages, all the effort made here would probably be a waste. As such, in taking up needs assessment, the organization should have a clear picture and commitment to what it will do with the outputs of such a study.

Capacity building needs assessment should be conducted at the beginning of each capacity building cycle, before the design and delivery of capacity building interventions. Given that capacity building is an iterative process and since the environment and realities of an organization are fluid needs assessment, must be undertaken at regular intervals. As needs assessment forms a critical phase in developing a strategic plan, a needs assessment could be conducted as per the strategic planning cycle. Once the problem has been identified, an evaluation or analysis of the problem is done. Stakeholders discuss the problem exhaustively before a consensus is built. Such a discussion is aimed at understanding the problem, how it affects the organization and its extent. This shared understanding provides a solid foundation for

finding ways of solving the problem. It also helps to clarify the scope of the problem at hand and the resource available.

The organization is also able to set the objectives, goals and how the intended development will proceed (Mulwa, 2008). If solutions to organizational issues are identified and rectified by organizational developed remedies, ones that better understand the delicate intricacies of local issues, success and sustainability of organizational based projects are much more likely, (Easterly, 2006).Need analysis can be both a process and a method. As a process, it can build leadership, group unity, and a sense of local involvement in the organizational project. Some needs analysis techniques, including surveys and focus groups, provide participants an opportunity to express their opinions on organizational issues. As a method, a needs analysis is a tool that helps to move the mission of the development organization or government through decision making and implementing strategies. To be successful, need analysis must be comprehensive and require active planning and involvement from key players in the targeted organization, (Titcomb, 2000).

2.6 Theoretical Framework

This study was guided by Systems theory of organizations, Systems theory originated in the natural sciences in efforts to understand sets of objects, the relationships between those objects and the relationships between sets of objects and their environment. System refers to a set of cyclic processes that are only temporarily manifested in stable structures that move between order and chaos. The ability of an organization to develop and grow is dependent on its ability to respond to changes in the environment (Corlett, 2011). Open system theory is concerned with the dependency that exists between an organization and its environment. Since the environment is always in a state of flux, there will always be give and take between an organization and its environment. As in nature there are constantly recurring processes that are necessary for the survival of an organization. System theorists claim that it is more expedient to study what actually happens in an organization than to start out with formal goals and then it is only natural to look at what an organization receives from its environment, what it does with its resources and what it gives back to the environment.

The theory contends that all parts of the department are interrelated such that changing one part of the system in a section affects other parts as well. The theory views procurement department as a complex social system whose properties cannot be known from analysis of the constituent elements in isolation hence for effective management of the training and development process, emphasis should shift from part to whole department. As applied to this study, the systems theory holds that, different factors in the system that influence the departmental training and development process must be managed together paying attention to all of them without overlooking some factors over the others in order to produce a common whole which in this case is effective training and knowledge sharing. The performance of a system depends on how the elements work together and not how each element works independently. For effective training and development process, all factors that influence in the department must be looked at (Ludwig, 1951).

An organization that emphasizes and supports training and development needs to provide resources for development and enhance employees' self-confidence in their own capacity (Maurer, 2001). In addition, to the extent that training and development is common in organizations, any employee is likely to observe others engage in activity, providing a source of modeling. Modeling has been shown to enhance self-efficacy for accomplishment of a goal (Gist & Mitchell, 1992). Likewise, to the extent that developmental goals are emphasized and mistakes or errors are perceived as being part of the process (Ames & Archer, 1988). There should be less anxiety by employees during challenging activities, also enhancing self-efficacy for learning (Gist & Mitchell, 1992).

Work content can also enhance self-efficacy for training and development. If an employee in the department is frequently involved in challenging task assignments that require learning new skills or knowledge, these discrete learning experiences, if successfully completed, are essentially learning mastery experiences (Maurer, 2001). These mastery experiences should enhance self-efficacy for learning Likewise, to the extent that one is surrounded by others in the job engaged in challenging work, and they can be observed to engage in developmental experiences successfully, this can serve as a source of modeling, which also can increase self-efficacy (Gist & Mitchell, 1992).

The (OECD, 2006) offers invaluable guidance about how to think systematically through the capacity development challenge. The evidence suggests that what is necessary is a fundamental change in development practice, including focusing on capacity as an endogenous process, agreeing at country level on capacity objectives and monitoring outcomes from the perspective of the beneficiaries. Such changes could have a substantial impact on development outcomes. It goes ahead to explain that capacity development was viewed mainly as a technical process, which involved the open transfer of knowledge or models within the organization from North to South. Not enough thought was given to the broader political and social context within which capacity development efforts take place. This led to an overemphasis on what were seen as “right answers”, contrasting to approaches that best fit the circumstances and the needs of the particular situation. For related reasons, there was inadequate appreciation of the importance of country ownership of capacity development initiatives (OECD, 2006).

Within Africa, a study was done to learn from experience, to provide an independent and unbiased basis for assessing the results of the World Bank’s work, and to provide accountability in the achievement of its objectives. The Bank’s traditional efforts in building public sector capacity focused primarily on creating or reorganizing government units and building individual skills. Conscious of the limited impact of its support in the face of countries’ still-weak public sector capacity, the Bank has progressively changed its approach over the past 10 years by; broadened its support to include the strengthening of public institutions and the fostering of demand for public service improvements, adding new diagnostic tools to assess countries’ capacities to manage their public financial resources and has increased the range of lending instruments for delivering its capacity building support to increase country ownership of these activities, also expanding corporate and Regional programs directly supportive of capacity building. Most capacity support remains fragmented because most capacity building support is designed and managed operation by operation; it is difficult to capture cross sectorial issues and opportunities and to learn lessons across operations. Finally, the most organizations do not apply the same rigorous business practices to its capacity work that they apply in other areas. Even though capacity building is a stated corporate and Regional priority, most activities lack standard quality assurance processes at the design stage, and they are not routinely tracked, monitored, and evaluated (OED Evaluation of World Bank Support,2005).

In conclusion Capacity Development (CD) is a concept that has emerged over the years in response to the shortfalls of top-down, supply-driven interventions such as Technical Cooperation. It has been the growing consensus that countries should drive their own development and capacity should be built from within to reduce the dependence on international aid (Freeman.K, 2010). In Kenya still so many sectors, private, government or NGOs embrace capacity building. Organizations like Geothermal Development Company need to emphasis on capacity building so that the organizations processes are not interfered with at any level of the project procurement processes.

Figure I: Conceptual Framework

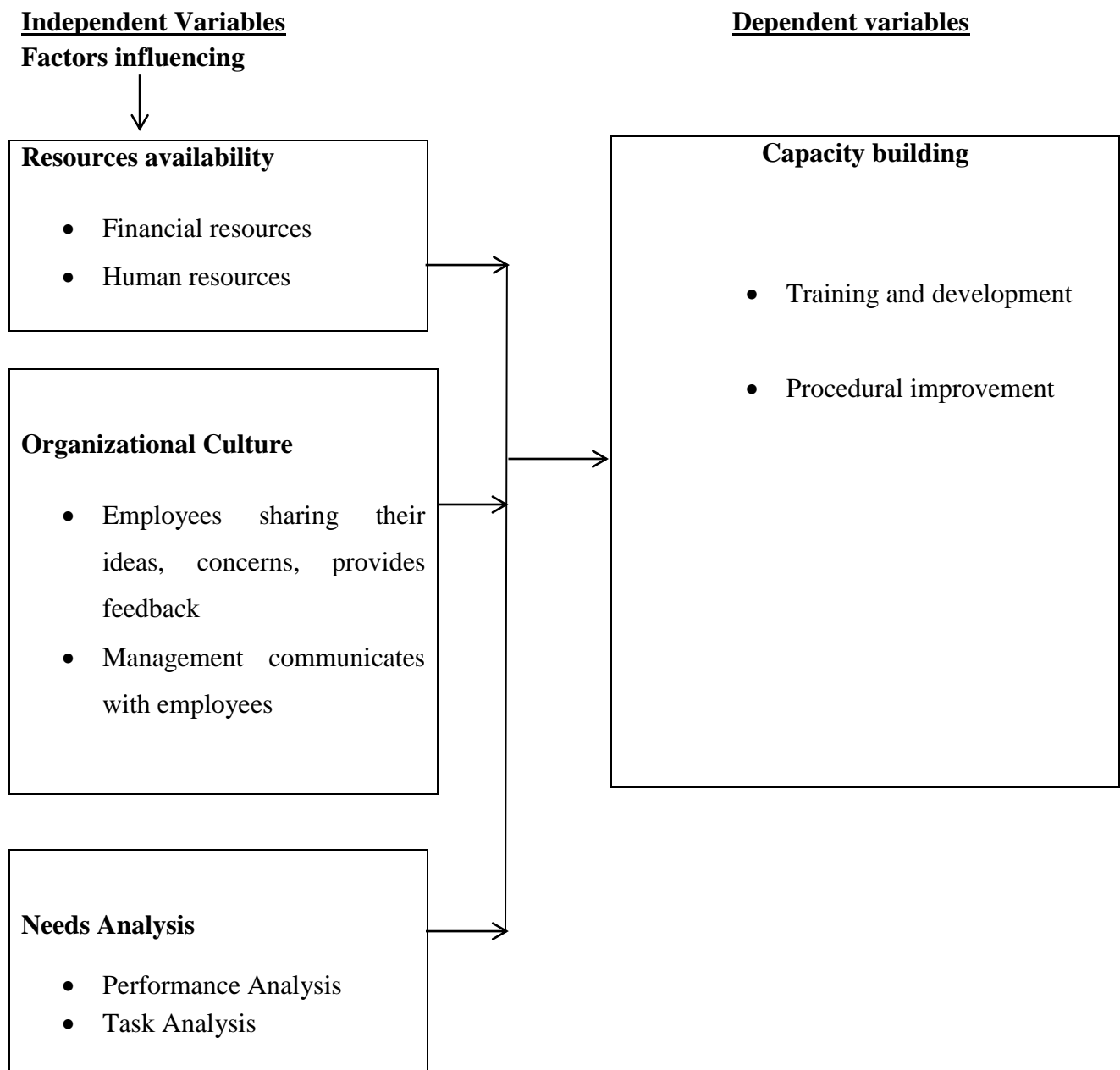


Table 2.1: Gaps in literature review

Author	Focus	findings	Research gap
Oluoch 2013	challenges of strategy implementation at agro-chemical and food company limited, Kenya	The organization is in no exception of facing various challenges with regard to strategy implementation key among them is resistance to change, resource allocation, organizational structure and communication	The effectiveness of the challenges facing Agro-chemical and Food Company Limited during the implementation of the strategic plan
Oginda 2013	Challenges of implementing procurement strategy at the Kenya power and lighting company limited	KPLC is challenged in effecting the procurement plan as anticipated. This is due to inadequate budgetary allocations from the ministry, non-consolidation of similar items across the project in the organization, logistical milestones in procuring overseas materials due to distance and country of supply's incoterms	A study on the practices adopted by the Procurement Function in Kenya power and lighting company limited to evaluate progress towards procurement strategy implementation in multifunctional companies
Ogega 2013	Factors influencing effective supply chain management in delivery of public development projects in Nakuru town and Baringo central constituency, Kenya	Timely and cost effective delivery of projects will only be achieved if proper procedural implementation is emphasized both at the planning and implementation stages. Early identification of needs ensures proper specifications that can be adjusted at the least cost with suppliers input. Schedule of delivery and purchase can easily be drawn up leading to cutting of costs.	A further study can be carried out in other areas in Kenya for comparison purposes to assess how government policies and institutions solve the issue of delivery of public development projects.

2.7 Summary of literature review

Capacity building is the availability of resources, the efficiency and effectiveness with which society deploy those resources to identify and pursue their development goals on a sustainable basic. Capacity-building initiatives have taken different forms in the organization, including capacity building of individuals, organization and society in general. Such efforts have aimed at improving their understanding of processes, Training and development, resource availability, Organizational culture and need analysis. Capacity-building initiatives have also targeted organizations to improve their decision-making processes and build their technical skills to better fulfill their mandates. The chapter reviews the literature on factors influencing capacity building in projects procurement processes narrowing down to GDC procurement department. The study presents both the theoretical and conceptual frameworks which the study is based.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the research design, target population, sample size and sampling techniques, Research instrument, validity and reliability of the instrument, data collection procedures, data analysis techniques and ethical considerations and operational definitions of the variables.

3.2 Research design

Cooper and Schindler (2008) describe the research design as a plan and structure of investigation formed to provide answers to research questions. A descriptive survey design what the used, the researcher distributed questionnaires to the respondents. Nachmias and Nachmias (2006) define a survey research as a systematic gathering of information from a sample of respondents for the purpose of understanding and predicting some aspects of the behavior of the population of employees in the organization. The descriptive research designs used both qualitative and quantitative research in the research projects which involves gathering data that describe the type of research being identified. The study sought to establish factor influencing capacity building in projects procurement processes within Geothermal Development Company. The design involved distributing questionnaires with both open-ended and closed ended questions to the respondents.

3.3 Target population

The target population was the complete set of individual's case or objects with some common characteristics to which the research generated the results of the study Mugenda & mugenda, (2003). In the study, the target population was the procurement, project and human resource staff in charge of training in GDC. The total population was 50 employees, 28 procurement staff, 12 project staff and 10 human resource staff, the study targeted all the employees in the organization.

3.4. Sample size and sampling Technique

Mugenda and mugenda (2003), defines a sampling frame as a list, directory or index of cases from which a sample can be selected. A subject that was selected from the sampling frame of the study was the list of staff working in procurement, project and human resource within the Geothermal Development Company. The study employed simple random sampling techniques to select the sample included in the study; all the employees in the three departments in the organization were used in the research. The research employed this method because it was the best hence it ensured adequate information is acquired and the number was manageable for the research.

3.5 Research instruments

The primary data was collected using questionnaires which were self-administered to the respondents. The questionnaires were in five parts, part one was the background information (demographic data) age, sex, administrative experience, department and the position the respondents hold in the organization. Part two has four parts these are variables on Capacity building, resource availability, organizational culture and need analysis. The questionnaires had closed ended questions which the responded needed to tick where appropriate and open ended questions at the end of every variable to enable the respondents to write their opinion which they feel was not included in the closed ended questions. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Mellenbergh, 2008). The questioners were administered among the random selected employees attached to procurement department, project department and human resource department within the organization for the collection of primary data.

3.5.1 Piloting of instruments

The questionnaires were reviewed by the research supervisor and then tested on a small pilot sample of respondents with similar characteristics as the study respondents. Mugenda and Mugenda (2003) suggest that the piloting sample should be 1 to 10% of study sample depending on the study sample size. The piloting was done at Geothermal Development Company. Piloting helps in revealing questions that are vague and allows for reviewing until they convey the same meaning to all the subjects (Mugenda & Mugenda, 2003).

3.5.2 Validity of the instrument

Validity of a test is a measure of how well a test is supposed to be measured (Kombo & Tromp, 2006), validity is the accuracy and meaningfulness of the inferences which are based on the research results or the degree to which results obtained from the analysis of the data actually represents a phenomenon under study (Mugenda & Mugenda, 2003). Content validity of the self-administered questionnaires are established by carefully designing clear and unambiguous questions making it easy for the respondents to easily answer all questions. The study supervisor was involved at every stage to guide, offer advice and all necessary approvals in the input of the research questionnaire hence enabling the content to address the purpose and avoid ambiguity.

3.5.3 Reliability of the instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda & Mugenda, 2003). It can also be referred to as a measure of how consistent the result from a test (Kombo & Tromp, 2006). Reliability involves an estimate of consistency of scores among repeated cases. Reliability coefficients evaluate the consistency within various variables. The researcher used the Cronbach alpha coefficient to test the reliability of the data. Cronbach alpha coefficient approximates test-score reliability from one test administration by use of information from the correlation within test components. It gives an approximation of reliability based on covariation within the cases internal to the test (Cronbach, 2004). It was used for the multiple likert questions in the questionnaire that formed a scale the researcher wished to determine if the scale was reliable. The alpha coefficient for all the items was 0.832, suggesting that the items had relatively high internal consistency. A reliability coefficient of 0.70 or higher is considered being generally acceptable.

3.6 Data Collection procedure

The researcher obtained a letter of introduction from the university hence, securing a permit from the National Commission for science, technology and innovation, upon getting the letter the researcher visit the organization and issued a drop and pick questionnaires for the research.

3.7 Data Analysis Techniques

Both qualitative and quantitative data was generated. The data collected was cleaned, coded and systematically organized in a manner that facilitated analysis using the statistical package for social sciences(SPSS), which offered extensive data handling capabilities and numerous statistical analysis routines that was analyzed in small and large data(Muijis, 2004). Both qualitative and quantitative data was analyzed using descriptive statistics by use of numerical methods of central tendency and regression (Ngacha, 2004).

The analysis involved comparisons of data obtained from various employees selected for the study to enable a more detailed investigation. This determined whether the capacity building impacted on the factors influencing project procurement processes in the organization. Data from all employees will be compared against one another to enable the study establish congruency or otherwise of the challenges within the respective project procurement processes. This analysis did not restrict respondents from the freedom of expression as there was room for generating as much information as possible. The final findings were presented in multiple regressions Model (Ngacha, 2004).

3.8 Ethical Consideration

The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from the research activities (Cooper and schindler,2001:112). The researcher's aim was to protect the rights of the respondents by not revealing their identity and assuring them that their responses are strictly for the purpose of the research. The respondents were selected randomly without any bias hence stating the purpose of the research to the participants. The study was strictly for research. A written permission/ consent from the University of Nairobi and the permit from the National Commission for science, technology and innovation were issued to enable the researcher undertake the research.

Table 3.1: Operationalization of variables

Objective/research question	Types of variables	indicators	Measurement scale	Methods of data collection	Instrument/data collection tools	Data analysis technique
To determine factors influencing training and development on capacity building in project procurement processes?	Capacity building	<ul style="list-style-type: none"> • Training and development • Procedural improvement 	<ul style="list-style-type: none"> • Norminal • Ordinary 	Administering questionnaires	Questionnaires	Descriptive Statistics <ul style="list-style-type: none"> • Method of central tendency
To establish the influence of resource availability on capacity building.	Resources	<ul style="list-style-type: none"> • Financial resource • Human resource 	<ul style="list-style-type: none"> • Norminal • Ordinary 	Administering questionnaires	Questionnaire	Regression
To find out how organizational culture influences capacity building.	Organizational culture	<ul style="list-style-type: none"> • Employees share their ideas ,concern, provide feedback • Management communicates with employees 	<ul style="list-style-type: none"> • Norminal • Ordinary 	Administering questionnaires	Questionnaire	Regression
To establish how need analysis influences capacity building	Need Analysis	<ul style="list-style-type: none"> • Performance Analysis • Task Analysis 	<ul style="list-style-type: none"> • Norminal • Ordinary 	Administering questionnaires	Questionnaire	Regression

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The research problem in this study was the factors influencing capacity building in project procurement processes a case of Geothermal Development Company. The sample comprised of 50 employees in the organization, the data was presented using descriptive statistic for basic information such as frequency and percentages.

4.2 Questionnaire Return Rate

Fifty questionnaires were issued to employees in the organization 43 of the total (86%) questionnaires were returned. It's evidence that if 60% of the questionnaires are returned according to (Mugenda & Mugenda 2003) such as sample was deemed to be representative and the findings could be generalized to the population.

4.3 Demographic characteristics of the Respondents

The section represents the demographic information of the respondents which are organized in section of age, sex, work experience in the organization, Department of service in the organization, the position the respondents hold in their departments. Features of the respondents are vital to this study. They provide a base for further analysis of the specific research objectives and their findings using frequency and percentages. Demographic analysis is crucial since demographic factors affect respondent's social, economic and political behavior hence they are tools in analysis of research objectives.

4.3.1 Age of the respondents

The researcher wanted to know the age bracket of the respondents to ascertain their approach on issues related to Factors influencing capacity building in project procurement processes in Kenya. This is shown in Table 4.1

Table 4.1 Age of the Respondents

Age	Frequency	Percentage
20-30 Yrs	17	41
31-40 Yrs	22	52
41-50 Yrs	3	7
Above 50 Yrs	0	0
Total	42	100

In Table 4.1 above, age was grouped in bracket of 20-30 years, 31-40 Years, 41 – 50 Years, and over 50 years. It was established from the study that 41% of the respondents were between 20 – 30 years, 52% were between 31 – 40 years, 7% were between 41 – 50 years, and 0% above 51 years. The findings indicate that majority of the respondents are of age between 31 – 40 years which represents (52%). This is a prime age of the employees and therefore their response reflects highly in the organization.

4.3.2 Gender of the respondents

The study found it necessary to establish the gender of the respondents. Gender as a variable was categorized as male or female and the specific frequency and percentages accordingly as shown in table 4.2

Table 4.2 Gender of the respondents

Sex	Frequency	Percentage
Female	19	45
Male	23	55
Total	42	100

The results in Table 4.2, indicated that a majority of the respondents were 23 male (55%) compared to the number of female (19) accounted for 45%. The Findings imply that being male or female does not prevent one from understanding the research on factors influencing capacity building in project procurement processes, this is also an indication of a well-balanced workforce in terms of gender orientation. This could perhaps be an indication of the organizations

embracing the equal employment opportunity. This is good for this study since the opinion of both genders is equally presented.

4.3.3 Working experience in the organization

It was important to seek this information to establish the number of years the respondents in Geothermal Development Company to ascertain their experience on issues related to Factors influencing capacity building in project procurement processes. This is shown in table 4.3

Table 4.3 Working experience

Work experience	Frequency	Percentage
Less than A Year	8	19
1-3 Yrs	10	23
3-5 Yrs	6	14
More than 5 yrs	19	44
Total	43	100

In table 4.3, it was established from the study that 19% of the respondents worked for less than 1 year, 23% worked for a period between 1-3years. 14%, worked for a period between 3 – 5 years, 44% worked for a period of more than 5 years. The research indicates that majority of the respondents have worked in the organization for a long period more than 5 years. This is the period long enough to identify the Factors influencing capacity building in project procurement processes.

4.3.4 The department of the respondents

It was necessary to seek information to establish the department each of the respondents is attached to be able to identify the Factors influencing Capacity building in project procurement processes in the various departments. This is shown in Table 4.4

Table 4.4 Department of the respondents

Department	Frequency	Percentage
Procurement	24	56
Human Resource	10	25
Project	9	19
Total	43	100

In table 4.4, it was established that 24% of the respondents work in the procurement department, 25% work in the Human resource department. 19% work in the project department. The research indicates that majority of the respondents work in the procurement department in the organization, Hence are able to give adequate information on the factors influencing capacity building in project procurement processes.

4.3.5 The position of the respondents in their department

It was necessary to seek information to establish the position each respondent hold in their department the respondents are able to directly state the Factors influencing Capacity building in project procurement processes in their various duties within the departments. This is shown in Table 4.5

Table 4.5 Position of the respondents

Position	Frequency	Percentage
Clerk/Assistants	11	26
Officers	31	72
Senior officers/chief officers	0	0
Managers	1	2
Total	43	100

In Table 4.5 above, indicates that 26% are clerks/assistants working in the organization. 72% are officers working in the organization in various departments, 2% are managers working within the organization. Officers are the highest number of employees working in the organization hence are able to give adequate answers towards the research on factors influencing capacity building in project procurement processes.

Table 4.6: Capacity building on project procurement processes

Statements	Mean	Stdev
We have all the skills and knowledge to accomplish the tasks assigned to us.	2.98	1.04
The work plan of each employee is clearly laid out to ensure smooth operation.	2.56	1.02
Evaluation of our duties is undertaken continuously to ensure challenges are identified.	2.81	1.16
Adequate resources are available to ensure smooth operations at work	2.53	1.14
Overall Score	2.72	0.21

Key 0= Not Sure (NS), 1= Strongly disagree (SD), 2= Disagree (D), 3= Agree (A), 4= Strongly agree (SA)

According to the results in the analysis of capacity building on project procurement processes was availability of skills and knowledge to accomplish the tasks assigned to employees (M= 2.98, SD= 1.04). This was closely followed by the statement on continuous evaluation of duties to ensure identification of challenges (M=2.81., SD= 1.16). The average likert scale score on work plan of each employee being clearly laid out to enable smooth operation was a 2.56 with a standard deviation of 1.02. This meant that the respondents tended to disagree to this statement. Additionally, the respondents were not in agreement that adequate resources are available to ensure smooth operations at work (M=2.53, SD= 1.14). Overall, capacity building on project procurement processes were implemented in the organization as evidenced by the mean score of 2.72 associated with a standard deviation 0.21.

Table 4.7: Multi-collinearity Diagnostics

Coefficients^a

Model	Collinearity Statistics		
	Tolerance	VIF	
1	resource availability	.790	1.265
	organizational culture	.563	1.775
	need analysis	.647	1.546

a. Dependent Variable: capacity building

The regression model was as follows: $y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$

Where:

y = Capacity building

β_0 = Constant Term

β_1 = Beta coefficients

X_1 = Resource availability

X_2 = Organizational culture

X_3 = Need analysis

ϵ = Error term

Each independent variable was regressed separately with the dependent variable to determine whether there was any statistically significant relationship.

4.4 Factor influencing Resource Availability and Capacity Building

Variable	Mean	Stdev
We have all the required finances for project implementation	2.07	1.26
We are allocated training funds every financial year	2.26	1.36
Staffing of geothermal development company is sufficient	2.6	1.31
We are all highly skilled for our jobs	2.70	1.21
Training needs assessment is done every quarter to improve our skills	1.86	1.27
Our training needs are given priority by the management	2.30	1.17
Overall Score	2.30	0.07

Key 0= Not Sure (NS), 1= Strongly disagree (SD), 2= Disagree (D), 3= Agree (A), 4= Strongly agree (SA)

From the results in the table above the main feature of resource availability on project procurement processes is on employees being highly skilled for their jobs (M=2.70,SD=1.21). This was closely followed by the staffing a Geothermal Development Company the respondents feel it's sufficient (M=2.6,SD=1.31). The average likert scale score on employees training need being given priority by the management (M=2.30,SD=1.17). The employees were allocated training funds every financial year (M=2.26,SD=1.36). The respondents feel employees in the organization lack adequate finances for project implementation (M=2.07,SD=1.26). The respondents feel employees are strongly dissatisfied on their training needs assessment being done every quarter to improve their skills (M=1.86,SD=1.27). Overall resource availability as a variable of project procurement processes was not well implemented in the organization as evidenced by the mean score of 2.30 with a standard deviation 0.07.

Table 4.8: Strength of the Resource Availability Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.521 ^a	.271	.254	.75027

a. Predictors: (Constant), resource availability

The model summary on table 4.8 above revealed a coefficient of determination (r square) of 0.217 (27.1%). This meant that a change in capacity building could be explained by 25.4% change in the resource availability. However, this degree of variability was considered quite minimal to be able to predict outcome variable (capacity building).

Analysis of Variance (Resource Availability)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.595	1	8.595	15.270	.000 ^b
	Residual	23.079	41	.563		
	Total	31.674	42			

a. Dependent Variable: capacity building

b. Predictors: (Constant), resource availability

ANOVA for the independent variable (resource availability) revealed an f statistic of 15.27 that was associated with a p value of $p < .01$ and significant at 0.01 alpha level. This result led to the inference that the explanatory variable (resource availability) was statistically significant to predict capacity building in the regression model.

Regression Model of Resource Availability

Coefficients^a

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	.890	.494		1.802	.079
1	resource availability	.702	.180	.521	3.908	.000

a. Dependent Variable: capacity building

The predicted regression equation from the model above becomes:

$$y (\text{capacity building}) = 0.89 + 0.702(\text{resource availability})$$

Based on the model, findings revealed that resource availability was positively associated with the dependent variable (capacity building). This association was statistically significant at 5% significance level ($\beta_1 = 0.702$, $t = 3.908$, $p < 0.01$). According to the model, resource availability could be used to estimate capacity building since it was statistically significant at .01 alpha level.

4.5. Factor influencing Organizational Culture and Capacity Building

Variable	Mean	Stdev
The top management believes that there is constant need for career growth	2.4	1.37
Usually workshops and seminars are included in the work plans for each financial year.	2.37	1.24
All employees at geothermal development company are highly trained at their job	2.02	1.30
Staff training is prioritized more than hiring external consultants	1.79	1.19
All staff have equal training opportunities	1.77	1.27
Geothermal development company encourages us to undertake all the necessary trainings relating to our jobs.	2.87	1.18
Overall Score	2.20	0.07

Key 0= Not Sure (NS), 1= Strongly disagree (SD), 2= Disagree (D), 3= Agree (A), 4= Strongly agree (SA)

According to the results in the table the main feature on organizational culture as a variable of project procurement processes was in Geothermal development company encouraging employees to undertake necessary trainings related to their jobs(M=2.87,SD=1.18).This is followed by an agreement by the respondents that the top management believe that there is constant need for career growth (M=2.4,SD= 1.37).The respondent tend to disagree on the organization including workshop and seminars in the work plans every financial year(M=2.37,SD=1.24).The respondents are not in agreement that employees in Geothermal Development Company are highly trained at their work(M=2.02,SD=1.30).The respondents also feel staff training is not prioritized instead hiring external consultants in the organization has been given priority(M=1.79,SD=1.19).The employees are denied equal training opportunities(M=1.77,SD= 1.27).Overall organizational culture as a variable in capacity building of project procurement processes in organizational culture does not have good influence on the organization evidence by mean score of 2.20 association with standard deviation 0.07.

The regression model was as follows: $y = \beta_0 + \beta_2 X_2 + \varepsilon$

Where:

y = Capacity building

β_0 = Constant Term

β_1 = Beta coefficients

X_2 = Organizational culture

ε = Error term

Table 4.9: Strength of the Organizational Culture Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.492 ^a	.242	.224	.76514

a. Predictors: (Constant), organizational culture

The model summary on the above table revealed a coefficient of determination (r square) of 0.242 (24.2%). This can be interpreted as an estimated twenty-four percent a change in capacity building is explained by organizational culture. However, this degree of variability was considered quite minimal to be able to predict outcome variable (capacity building).

Analysis of Variance (Organizational Culture)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.672	1	7.672	13.104	.001 ^b
	Residual	24.003	41	.585		
	Total	31.674	42			

a. Dependent Variable: capacity building
 b. Predictors: (Constant), organizational culture

The analysis of variance on the effect of organizational culture on capacity building revealed that a change in organizational culture was statistically significant in predicting the outcome variable (capacity building) in the regression model ($f=13.104$, $p=.001$).

Regression Model of Organizational Culture

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1.782	.296		6.015	.000
	organizational culture	.437	.121	.492	3.620	.001

a. Dependent Variable: capacity building

Based on the regression model in the table above, organizational culture is positively correlated with capacity building and statistically significant at 1% significance level ($\beta_2 = 0.437$, $t = 3.62$, $p < 0.01$). This implies that based on the sampled data, one would expect that 99% of the time a change in organizational culture will influence capacity building. The regression equation from the model would be:

$$y \text{ (capacity building)} = 1.782 + 0.437(\text{organizational culture})$$

It can be concluded therefore that organizational culture has a causal effect on capacity building.

4.6 Factors influencing Need Analysis and Capacity Building

The researcher was interested to determine whether need analysis was associated with capacity building and if so whether the relationship was statistically significant to make any inference.

Variable	Mean	Stdev
Geothermal development company management is involved in identifying the needs of the employees and finding solutions at all levels.	1.86	1.39
The organization has prioritized the needs of the employees	2.09	1.29
The employee's ideas are incorporated in the design of the organizations project at all times.	1.67	1.41
Overall Score	1.87	0.06

Key 0= Not Sure (NS), 1= Strongly disagree (SD), 2= Disagree (D), 3= Agree (A), 4= Strongly agree (SA)

The results from the table of need analysis as a variable of capacity building in project procurement processes the organization has not prioritized the needs of employees(M=2.09,SD=1.29),the respondents also feel that their organization, Geothermal Development Company management is not involved in identifying the needs of employees and does not assist in finding solutions(M=1.86,SD=1.39).The respondents are also dissatisfied with the management not incorporating their ideas in the project designs of the organization(M=1.67,SD=1.14).Generally need analysis as a variable in the project procurement processes is not implemented in the organization as evidence by the low mean of 1.87and standard deviation of 0.06.

The predicted regression model was as follows: $y = \beta_0 + \beta_3 X_3 + \varepsilon$

Where:

y = Capacity building

β_0 = Constant Term

β_3 = Beta coefficients

X_3 = Need analysis

ε = Error term

Table 4.10: Strength of the Need Analysis Model

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.397 ^a	.157	.137	.80688	

a. Predictors: (Constant), need analysis

The coefficient of determination as explained by the r square coefficient was estimated at 0.157 (15.7%). However, a degree of variability in need analysis to be able to predict capacity building was considered quite small. This in effect meant that only an estimated sixteen percent of change in capacity building would be explained by need analysis.

Analysis of Variance (Need Analysis)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	4.981	1	4.981	7.650	.008 ^b
1	Residual	26.693	41	.651		
	Total	31.674	42			

a. Dependent Variable: capacity building
 b. Predictors: (Constant), need analysis

The analysis of variance table above was run to test whether need analysis would be used to predict capacity building in a regression model. According to the results of the ANOVA, need analysis was statistically significant in predicting capacity building ($f= 7.65, p<.01$).

Regression Model of Need Analysis

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.295	.211		10.897	.000
	need analysis	.254	.092	.397	2.766	.008

a. Dependent Variable: capacity building

The model above revealed a positive correlation between needs analysis and capacity building. In addition, this relationship was found to be statistically significant at 1% significance level. ($t= 2.766, p=.008$). The predicted regression equation was:

$$y (\text{capacity building}) = 2.295 + 0.254(\text{need analysis})$$

The inference therefore was need analysis is positively correlated to capacity building. That is to say, we would expect an increase in need analysis to cause an increase in capacity building.

Table 4.11: Pearson’s Correlation Coefficient Matrix of the Relationship between the Explanatory Variables and the Dependent Variable

		Correlations			
		capacity building	resource availability	organizational culture	need analysis
capacity building	Pearson Correlation	1	.521**	.492**	.397**
	Sig. (2-tailed)		.000	.001	.008
	N		43	43	43
resource availability	Pearson Correlation		1	.456**	.301*
	Sig. (2-tailed)			.002	.050
	N			43	43
organizational culture	Pearson Correlation			1	.593**
	Sig. (2-tailed)				.000
	N				43
need analysis	Pearson Correlation				1
	Sig. (2-tailed)				
	N				

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 4.10 Pearson's correlation Matrix

Pearson’s correlation analysis was used for data to find the relationship between the explanatory variables (resources availability, organizational culture, and need analysis) and dependent variable (capacity building). According to the correlation matrix above resources availability was found to be positively correlated with capacity building. In addition, the correlation was found to be statistically significant ($r=.0521$, $p<0.01$). Likewise, organizational culture was also found to be positively correlated with capacity building and statistically significant ($r= .492$, $p<.01$). Need analysis was found to be positively associated with capacity building and statistically significant at 1% alpha level ($r=.397$, $p<.01$). Put another way, based on the data, resource availability, organizational culture and need analysis are likely to positively influence capacity building ninety-nine percent of the time.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents summary of the findings, discussion in chapter four and interpretations of the data analysis, conclusion and recommendations based on the findings and suggestions for further studies.

5.2 Summary of findings

The main objective of the study was to investigate the factors influencing capacity building in project procurement processes. The findings indicate that majority of the respondents were male aged between 31-40years, they have been in the company for more than 5 years. Hence, the period is long enough to provide adequate information required for the study. Majority of the respondents are in the procurement department they have an upper hand in the procurement of projects since they play a major role.

Capacity building on project procurement processes was inclusive of availability of skills and knowledge to accomplish the tasks assigned to employees. There was continuous evaluation of duties to ensure identification of challenges. The respondents disagreed on the work plan of each employee being clearly laid out to enable smooth operation. Additionally; the respondents were not in agreement that adequate resources are available to ensure smooth operations at work. Overall, capacities building on project procurement processes were implemented in the organization.

Capacity building and resource availability indicates that a change in capacity building could be explained by 27.1% change in the resource availability. However, this degree of variability was considered quite minimal to be able to predict outcome of the capacity building variable. Findings revealed that resource availability were positively associated with the dependent variable (capacity building). This association was statistically significant at 5% significance level

($\beta_1 = 0.702$, $t = 3.908$, $p < 0.01$). According to the model, resource availability could be used to estimate capacity building since it was statistically significant at .01 alpha level.

Organizational culture and capacity building was interpreted as an estimated 24% change in capacity building is explained by organizational culture. However, the degree of variability was considered quite minimal to be able to predict outcome variable (capacity building). Organizational culture is positively correlated with capacity building and statistically significant at 1% significance level. This implies that based on the sampled data, one would expect that 99% of the time a change in organizational culture will influence capacity building, Organizational culture has a causal effect on capacity building.

Need Analysis and capacity building indicate a degree of variability in need analysis to be able to predict capacity building which was considered quite minimal. This in effect meant that only an estimated 16% of change in capacity building would be explained by need analysis. This revealed a positive correlation between needs analysis and capacity building. In addition, this relationship was found to be statistically significant at 1% significance level. The inference therefore was need analysis is positively correlated to capacity building. That is to say, we would expect an increase in need analysis to cause an increase in capacity building.

5.3 Discussions of the Findings

Basing on the descriptive statistics majority of the respondents were male aged between 31-40years, they have been in the company for more than 5 years. Hence, the period is long enough to provide adequate information required for the study. Majority of the respondents are in the procurement department hence they have more experience in procurement of projects.

Findings revealed that resource availability was positively associated with the dependent variable (capacity building). This association was statistically significant at 5% significance level ($\beta_1 = 0.702$, $t = 3.908$, $p < 0.01$). According to the model, resource availability could be used to estimate capacity building since it was statistically significant at .01 alpha level. From the findings organizational culture is positively correlated with capacity building and statistically significant at 1% significance level. This implies that based on the sampled data, one would expect that 99%

of the time a change in organizational culture will influence capacity building, Organizational culture has a causal effect on capacity building.

Finding reveals that there is a positive correlation between needs analysis and capacity building. This relationship was found to be statistically significant at 1% significance level. The inference therefore was need analysis is positively correlated to capacity building. That is to say, we would expect an increase in need analysis to cause an increase in capacity building. The Pearson's correlation coefficient found out that the explanatory variable (resource availability, organization culture and need analysis) had a positively correlated relationship with the dependent variable (capacity building).

Factors influencing effective supply chain management in delivery of public development projects in Nakuru town and Baringo central constituency, Kenya (Ogega, 2013). Timely and cost effective delivery of projects will only be achieved if proper procedural implementation is emphasized both at the planning and implementation stages. Early identification of needs ensures proper specifications that can be adjusted at the least cost with suppliers input. Schedule of delivery and purchase can easily be drawn up leading to cutting of costs. True to his research, capacity building can only be implemented if resource availability, organization culture and need analysis are adequately identified and addressed.

5.4 Conclusions

The capacity building in project procurement processes is stated in the literature. The regression analysis for capacity building and each independent variable (resource availability, organizational culture and need analysis) was conducted. From the analysis resource availability has not been well addressed in issues of training needs assessment ,the organization does not have adequate funds for training and the management does not give training of staff a priority.

Organizational culture lack equal training opportunity to all staff, and they do not prioritize staff training instead consultants are hired to undertake work supposed to be for the organization's employees. Under the need analysis variable, the respondents feel employees ideas are not incorporated in the design of organizations project and the management is not involved in

identifying the needs of employees and finding solution. The stated issues from the variables have an impact on capacity building in project procurement processes.

5.5 Recommendations

The study sought to determine factors influencing capacity building in project procurement processes. Resource availability has not been adequately addressed in the organization, the organization should allocate adequate resources for project procurement processes. Under organizational culture the concerns of the employees should be critically tackled by the management to improve the image of the organization. The needs analysis should be addressed by the management working in partnership with the employees and ensuring their ideas and opinions are considered since they are the implementers of the policies developed by the management.

5.5.1 Suggestions for further studies

The study focused on factors influencing capacity building in project procurement processes in Kenya. Further research should be done on factors influencing capacity building in project procurement processes in other organizations including Government institutions by targeting a large diverse institutions capacity building in procurement of project will be well stated because each institution undertake different project and facing various challenges during the procurement processes.

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APPENDICES

Appendix I

Letter of transmittal

October, 16 2017

To whom it may concern

Dear Sir/Madam

RE: LETTER OF INTRODUCTION

Academic Research Titled: Factors influencing capacity building in project procurement processes in Kenya. A case study of Geothermal Development Company.

I am a Masters student of project planning and management at the University of Nairobi conducting an academic research on the above subject. Procurement staff, project staff and Human resource staff under training and development have been identified as respondents for the study.

I am therefore requesting for your support and cooperation in answering questions honestly and completely. Please note that the information given will be used for the research only.

Panitah N Wakoli

L50/82449/2015

Appendix 2
Questionnaire

The research is on factor influencing capacity building and project procurement processes. A case of Geothermal Development Company. Kindly respond to the questions by ticking where appropriate. Please be as honest as possible. The information you provide will be used purely for academic purpose and the recommendations made will be of great importance to our country .The information you provide will be treated with utmost confidentiality.

SECTION A: BACKGROUND INFORMATION

Please tick where appropriate.

1. Age bracket

20-30yrs 31-40yrs 41-50yrs above 50yrs

2. Sex

Male Female

3. How long have you served in your organization?

- a) Less than a year
- b) 1-3yrs
- c) 3-5yrs
- d) More than 5yrs

4. Which department do you work?

- a) Procurement
- b) Human resource
- c) Project

5. What position do you hold in the department?

- a) Clerk/Assistants
- b) Officer
- c) Senior officer/Chief officer
- d) Manager

SECTION B. CAPACITY BUILDING

Capacity building on project procurement processes. Please indicate the degree to which you agree with the statement using the scale. S.A (strongly Agree). A (Agree). N.S (Not sure). D (Disagree). S. D (strongly Disagree).

	Variable	SA	A	NS	D	SD
6.	We have all the skills and knowledge to accomplish the tasks assigned to us.					
7.	The work plan of each employee is clearly laid out to ensure smooth operation.					
8.	Evaluation of our duties is undertaken continuously to ensure challenges are identified.					
9.	Adequate resources are available to ensure smooth operations at work					

10. What challenges do you face during your day to day operation at the work place in GeothermalDevelopmentCompany?.....

SECTION C. RESOURCES AVAILABILITY

Below are influences of resource availability on project procurement processes. Please indicate the degree to which you agree with the statement using the scale. S.A (strongly Agree). A (Agree). N.S (Not sure). D (Disagree). S.D (strongly Disagree).

	Variable	SA	A	NS	D	SD
11.	We have all the required finances for project implementation					
12.	We are allocated training funds every financial year					
13.	Staffing of geothermal development company is sufficient					
14.	We are all highly skilled for our jobs					
15.	Training needs assessment is done every quarter to improve our skills					
16.	Our training needs are given priority by the management					

17. Please give your general comment on financial availability on Geothermal Development Company

.....

.....

.....

.....

.....

SECTION D. ORGANIZATIONAL CULTURE

Below is how organizational culture influences capacity building in project procurement processes. Please indicate the degree to which you agree with the statement using the scale. S.A (strongly Agree). A (Agree). N.S (Not sure). D (Disagree). S.D (strongly Disagree).

	Variable	SA	A	NS	D	SD
18.	The top management believes that there is constant need for career growth					
19.	Usually workshops and seminars are included in the work plans for each financial year.					
20.	All employees at geothermal development company are highly trained at their job					
21.	Staff training is prioritized more than hiring external consultants					
22.	All staff have equal training opportunities					
23.	Geothermal development company encourages us to undertake all the necessary trainings relating to our jobs.					

24. Please give a comment on how the organizational culture affects the work processes in Geothermal Development Company.....

SECTION E. NEED ANALYSIS

Below is how needs analysis influences capacity building on project procurement processes. Please indicate the degree to which you agree with the statement using the scale. S.A (strongly Agree). A (Agree).N.S (Not sure).D(Disagree). S.D (strongly Disagree).

	Variable	SA	A	NS	D	SD
25.	Geothermal development company management is involved in identifying the needs of the employees and finding solutions at all levels.					
26.	The organization has prioritized the needs of the employees					
27.	The employee’s ideas are incorporated in the design of the organizations project at all times.					

28.Are there needs that you think the management has not addressed to improve your work operations.....

Thank you for your contribution

Appendix 3

Letter of introduction from the University



UNIVERSITY OF NAIROBI
OPEN DISTANCE AND e- LEARNING CAMPUS
SCHOOL OF OPEN AND DISTANCE LEARNING
DEPARTMENT OF OPEN LEARNING
NAIROBI LEARNING CENTRE

Your Ref:

Our Ref:

Telephone: 318262 Ext. 120

Main Campus
Gandhi Wing, Ground Floor
P.O. Box 30197
NAIROBI

23rd October, 2017

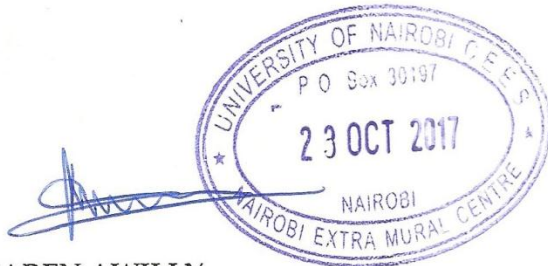
REF: UON/ODeL/NLC/27/462

RE: NAFULA PANITAH WAKOLI - REG NO.L50/82449/2015

The above named is a student at the University of Nairobi Open, Distance and e-Learning Campus, School of Open and Distance Learning, Department of Open Learning pursuing Master of Arts in Project Planning and Management.

She is proceeding for research entitled "Factors Influencing Capacity Building in Project Procurement Process in Kenya: A Case of procurement Department in Geothermal Development Company."

Any assistance given to her will be appreciated.



CAREN AWILLY
CENTRE ORGANIZER
NAIROBI EXTRA-MURAL CENTRE

Appendix 4

Research permit from National Commission for Science, Technology and innovation

Permit No : NACOSTI/P/17/20984/19969

Date Of Issue : 4th December,2017

Fee Received :Ksh 1000



J.P. Kalewa

**Director General
National Commission for Science,
Technology & Innovation**



REPUBLIC OF KENYA



**National Commission for Science,
Technology and Innovation**

**RESEARCH CLEARANCE
PERMIT**

Serial No.A 16721

CONDITIONS: see back page