DECLARATION

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

Signature ..................................... Date ..........................................

YUSUF WASSWA

D61/67168/2013

This project has been submitted for examination with our approval as University Supervisors.

Signature ..................................... Date ..........................................

Nyamwange Onserio

Department of Management Science, School of Business

University of Nairobi
DEDICATION

I dedicate this project to my entire family members especially my late Mother, Fatuma Omar. Although you are not here to celebrate with us, I will always value the motivation a got from you.
ACKNOWLEDGMENT

First and foremost, I would like to thank my Supervisor, Mr. Nyamwange, for his immense support, direction and guidance during the entire period of undertaking this research work. I also acknowledge all my lecturers for their professional support during my course work.

I would like to thank all my colleagues both in school and work place who contributed in one way or another to see me through this project. Finally, I thank my family for their support, sacrifices and understanding during the undertaking of this course.
ABSTRACT

This study sought to establish the influence of service procurement practices on performance of mobile service providers in Kenya. The study utilized descriptive research design to answer the objectives of the study. The design was appropriate for the study as it reports the way things are at that particular time and instance. In addition, the design enables the researcher to have a deeper understanding of the issues at stake. Primary data was gathered by the use of a questionnaire which quantitatively and qualitatively constructed. The qualitative questions comprised of open-ended questions. The questions were designed to consist of four sections: Data processing involves, coding, arrangement and organization of information gathered before investigation. The study found that agreed to a great extent that training enhance financial performance. The study also found that supplier partnership improves responsiveness amongst shareholders. The study further found that to a moderate extent that the company lowers of information search costs for suppliers due to low technology adoption, and that software integration issues as the major challenge arising from the implementation. The study found that the organization has placed emphasis on employee competence in using the green procurement practices through trainings. The study found that to a great extent that the firm outsources specification compliance services. The study concluded that procurement systems were expensive and thus the cost for implementation and maintenance was expensive. The study recommends that the mobile service providers name a procurement oversight advisory group that will see execution of the procurement law and area policies on procurement. This will expand the dimension of responsibility, effectiveness and proficient administration in mobile service providers.
# TABLE OF CONTENTS

DECLARATION ............................................................................................................................... ii  
DEDICATION ................................................................................................................................. iii  
ACKNOWLEDGMENT ...................................................................................................................... iv 
ABSTRACT ........................................................................................................................................... v 
LIST OF TABLES ...................................................................................................................................... ix

CHAPTER ONE: INTRODUCTION ................................................................................................. 1  
1.1 Background of the Study .............................................................................................................. 1  
   1.1.1 Service Procurement Practices ............................................................................................. 3  
   1.1.2 Firm Performance .................................................................................................................. 3  
   1.1.3 Mobile Service Providers in Kenya ....................................................................................... 5  
1.2 Research Problem ......................................................................................................................... 6  
1.3 Research Objectives .................................................................................................................... 7  
1.5 Value of the study ....................................................................................................................... 8  

CHAPTER TWO: LITERATURE REVIEW ...................................................................................... 9  
2.1 Introduction .................................................................................................................................... 9  
2.2 Theoretical Framework ............................................................................................................... 9  
   2.2.1 Contingency Theory .............................................................................................................. 9  
   2.2.2 Competency Theory ............................................................................................................. 10  
   2.2.3 Theory of Constraints .......................................................................................................... 11  
2.3 Service Procurement Practices .................................................................................................. 12  
   2.3.1 Capacity Building ................................................................................................................. 12  

vii
2.3.2 Supplier Relationship ................................................................. 13
2.3.3 Information Communication Technology ........................................ 14
2.3.4 Green procurement .................................................................... 15
2.3.5 Outsourcing ................................................................................ 16
2.3.6 Organization Procurement Planning .............................................. 16
2.4 Service Procurement Practices and Performance .............................. 17
2.5 Summary of Literature Review ........................................................ 20
2.6 Conceptual Framework .................................................................. 21

CHAPTER THREE: RESEARCH METHODOLOGY .................................. 21
3.1 Introduction ..................................................................................... 22
3.2 Research Design ............................................................................. 22
3.3 Population of the Study ................................................................... 22
3.4 Data Collection ................................................................................ 23
3.5 Data Analysis .................................................................................. 23

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND
INTERPRETATION OF FINDINGS .................................................... 25
4.1 Introduction ..................................................................................... 25
4.2 General Information ......................................................................... 25
4.3 Service Procurement Practices .......................................................... 26
  4.3.1 Capacity Building ....................................................................... 26
  4.3.2 Supplier Relationship .................................................................. 27
  4.3.3 Information Communication Technology ...................................... 28
4.3.4 Green Procurement ................................................................. 29
4.3.5 Outsourcing ............................................................................. 30
4.3.6 Organization Procurement Planning ......................................... 31
4.4 Service Procurement Practices and Performance of Mobile Service Providers ....... 32
  4.4.1 Performance ............................................................................ 32
  4.4.2 Parameters during the Last Five Years ................................... 33
  4.4.3 Relationship Between Service Procurement Practices and Performance of Mobile Service Providers in Kenya ............................................................. 34
  4.4.4 Multiple Analysis of the Influence of Capacity Building, ICT, and Supplier Relationship on Performance of Mobile Service Providers .................. 37

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS .. 39
5.1 Introduction ................................................................................. 39
5.2 Summary of the Findings ............................................................. 39
5.3 Conclusion .................................................................................. 39
5.4 Recommendations of the Study .................................................. 40
5.5 Limitation of the Study ................................................................. 40
5.6 Suggestions for Further Research ............................................... 41

REFERENCES .................................................................................. 42
APPENDICES .................................................................................... 47
Appendix I : A Letter of Introduction ............................................... 47
Appendix II: Data Collection Questionnaire ........................................ 48
LIST OF TABLES

Table 3.1: Operationalization of Variables ................................................................. 29

Table 4.1. Capacity Building ......................................................................................... 26

Table 4.2. Supplier Relationship .................................................................................... 27

Table 4.3. Information Communication Technology .................................................. 28

Table 4.4. Green Procurement ...................................................................................... 29

Table 4.5. Outsourcing ................................................................................................. 30

Table 4.6. Organization Procurement Planning ........................................................... 31

Table 4.7. Performance ................................................................................................. 32

Table 4.8 Parameters during the Last Five Years ....................................................... 33

Table 4.9. Model Summary ......................................................................................... 34

Table 4.10. ANOVA of the Regression ....................................................................... 35

Table 4.11. Coefficient of Determination ................................................................... 36

Table 4.12. Multiple Analysis of the Influence of Capacity Building, ICT, and Supplier Relationship on Performance of Mobile Service Providers .................. 38
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Service procurement practices are vital functions in any given organization. According to Johnson and Klassen (2005), service procurement practices help in to labor extension through worker strengthening and enhancement of nature of products to think of business rights to work environment. Procurement is the obtaining of products or potentially services at the best aggregate expense of proprietorship, in the correct quality and total, at the ideal time, in the perfect place and from the correct hotspot for the fast ideal position or use of associations, people, or even governments, all around by methods for an assentation, or it tends to be a similar path choice for human asset. Straightforward procurement may include just continue acquiring (Callendar and Mathews, 2010). Complex procurement could include finding long haul accomplices or even 'co-fate' providers that may in a general sense submit one association to another. Extensive techniques have now and then undermined proficiency in the public procurement framework.

Around the world, open obtainment has transformed into an issue of open idea and talk, and has been exposed to changes, altering, benchmarks and headings (Onyinkwa, 2013). Open acquirement intimates the securing of things, services and works by a getting substance utilizing open assets (World Bank, 1995). Because of the significance of this segment a few creating nations have found a way to change their public procurement frameworks, so as to exceed with the procurement procedure which secured by mystery, wastefulness, and debasement and
undermining. In every one of these cases circumstances enormous measures of assets are squandered (Odhiambo and Kamau, 2003).

In creating nations, open acquisition is powerfully observed as basic in-service transport, and it addresses a high level of aggregate usage. As indicated by Thai (2001) in both created and creating nations, public procurement specialists have and will confront constantly numerous difficulties (Federal Acquisition Institute, 2010). The procurement administration necessities regularly incorporate quality, auspiciousness, cost (something other than the cost), limiting business, monetary and specialized dangers, augmenting rivalry, and looking after trustworthiness. It is extremely troublesome for arrangement creators and public procurement specialists to settle on an ideal choice, as there are dependably tradeoffs among these objectives (Thai, 2011).

Alvier, Campos and Lesa (2010) contend that an effective procurement technique is refined by perceiving key saving potential locales and driving innovative sourcing models which can engage heads to reexamine their cost structures. Transforming customarily settled expenses into variable through outsourcing models. Concentrating the assets on the most critical wellsprings of cost, the procurement limit can support the head in achieving fundamental adequacy upgrades for the time being. This is accomplished by immediate or aberrant control of the key buy levers of cost of products and volume of procurement. Callendar and Mathews (2010) additionally contend that strong sourcing model is fundamental for the general achievement of key procurement since it is required at all levels in the association.
1.1.1 Service Procurement Practices

Service procurement practices are important in the operation of business today (Arrowsmith, 2011). By and large, institutionalization endeavors are more articulated as for the choice stage. There are different importance global instruments advancing institutionalization which influence diverse parts of the contract of the procurement. Thai (2011) expressed that a sound procurement structure needs incredible procurement laws and bearings. In a perfect world, procurement laws and controls ought to be clear, reliable, complete, and adaptable (Thai, 2011).

Moreover, Johan (2011) thought of some critical service conveyance change mottos. He said he who neglects to anticipate service conveyance, plans to fail flat conveying services to the public. Another service procurement practice is staff competence, which Boyatzis (2008) as a capacity, capacity or a fundamental element of a person that is calmly related to viable or predominant performance. Capabilities alludes to having adequate information and aptitudes that empowers a man to act in various circumstances (Aketch and Karanja, 2013). Competency additionally alludes to connected information and abilities, performance conveyance and conduct required to complete things extremely well. According to Russell (2004) in public procurement, professionalism relates to the education levels, workforce qualifications and also the professional approach regarding how business activities are conducted.

1.1.2 Firm Performance

Performance is the capacity to satisfy a commitment to achieve the set destinations, satisfy a necessity and achieve something as guaranteed or anticipated. Performance is the association's capacity to accomplish its objectives by utilizing assets in a perfect way (Daft, 2011). The
principal reason for any association is to reliably beat the opposition and convey supported, better returns than the proprietors while fulfilling different partners. The estimation of how fruitful undertakings are at accomplishing this reason has turned into a key component in present day public part administration.

Estimating performance is a smooth method for demanding an explanation from an association and in both public and private division performance estimation; responsibility is the focal concern (Bruijn, 2011; Heinrich, 2012). Performance estimation is seen as a notice, finding and control framework that is utilized to monitor economy, proficiency, adequacy and viability. Estimation of hierarchical performance isn't simple for business associations with various focuses of advantage, agent satisfaction, gainfulness, improvement, social commitment and ability to acclimate to the consistently changing condition among various objectives (Waiganjo, Mukuru and Kahiri, 2012).

Delaney (2006) affirm that affiliation performance can be assessed by the going with "estimations of performance: return of theory, edge on arrangements, restrict utilize, buyer devotion and thing quality". Correspondingly, Greener, (2008) recognized that landing on theory, arrangements and market advancement, and advantage are basic factors that be assessed by affiliation performance. As needs be, assessing the performance of the obtaining limit yields points of interest to relationship, for instance, cost diminish, overhauled profitability, expected supplies, quality changes and high ground as bolstered by (Basheka, 2010).
1.1.3 Mobile Service Providers in Kenya

The mobile industry comprises telephone communication, communication through the internet, audio and visual media, postal communications and fax. The mobile industry has grown tremendously over the last decade. In the years 2013 and 2014 the mobile industry experience growth of 5.6% reaching 32.2 million subscribers and increase to growth to 37.8 million subscribers up from 36.1 million between 2014 and 2015 (CAK, 2016). The types of mobile phones and services available have also changed drastically. In Kenya, there is stiff competition and rivalry in this industry hence a careful analysis for alliances success (Rothaermel & Boeker, 2008).

The telecom sector in Kenya is well developed. The telecommunication companies are offering mobile money transfer platform (GoK, 2014). Change in market has led to heightened competition hindering achieving of expected profitability level. The innovation development products in telecommunication companies m-commerce and m-banking has motivated commercial bank entering into strategic alliance in Kenya (CBK, 2014). Airtel Networks Kenya Limited is part of the larger Bharti conglomerate which began its telecom administrations business by introducing mobile amenities in Delhi (India) in 1995. The Bharti group comprises of companies like Bharti Infratel Ltd, Bharti AXA Life Insurance Company, Telecom Seychelles Ltd, Comviva Technologies Ltd, Centum Learning Ltd amongst others. In Kenya, Airtel Networks Kenya Limited was launched in 2000 as Kencell, rebranded as Celtel then rebranded to Zain in 2008 and finally Airtel in 2010.
1.2 Research Problem

Procurement is an essential capacity of government as it sheers extent of procurement costs that greatly affects the economy and should be all around oversaw. As indicated by Airowsmith and Trybus (2013), procurement has been used as a vital device for accomplishing monetary, social and different goals. Effectively taking care of this size of procurement expenses has been a strategy and administration worry and also a test for procurement specialists. According to Madhavaram and Hunt (2008), the higher the level of service procurement practices prompt cost decreases, changes in stock, client service, new item improvement, data and material streams, and budgetary performance for the nearby assembling firm. Hassanzadeh and Jafarian, (2010) set that service procurement practices are seen as a key limit endeavoring to upgrade the affiliation's efficiency, decrease unrefined material expenses and costs, and perceiving better wellsprings of supply.

Service Procurement Practices of mobile service providers has received much attention considering the introduction of new products and the increase of players in the field. Adoption of procurement procedures cut across critical process of the organization’s operations, thus, successful adoption and implementation are very crucial in sustainability of these firms. Supply chain and procurement best practices are perceived as a strategic pillar to achieve efficiency, profitability, cost minimization and identification of alternative better sources of supply within the industry.
Although in the international front, a lot of publications have been done on matters concerning procurement practices and performance, only insufficient literature is available. For instance, a study by Grace (2014) on the association among procurement best practices and organizational performance of Cadbury (K) Limited, discovered that the organization concentrated on performance through acquirement best practices to accomplish value difference, successful contract usage, motivation the board, enhance obtainment staff aptitudes, enhanced acquisition process duration and powerful installment preparing time.

Also, Julius (2016) did a study on the association between procurement practices and performance of companies listed at NSE. As seen in the above studies, most of the work that has been done focuses generally on procurement practices. Given the little research on service procurement practices on mobile service providers, this study sought to establish the influence of service procurement practices on performance of mobile service providers in Kenya.

1.3 Research Objectives

The aim of this study was to establish the influence of service procurement practices on performance of mobile service providers in Kenya.

i. To establish service procurement practices adopted by mobile service providers Kenya.

ii. To establish the relationship between service procurement practices and performance of mobile service providers in Kenya.
1.5 Value of the study

The findings and recommendations of the study might help the association in Managerial practice and basic leadership to upgrade profitability. It might help the partner investment, possession, responsibility and basic leadership in the execution of best practices in procurement.

The discoveries of this investigation might help fill existing data holes on service procurement practices and their impact on performance of multinational organizations in Kenya. The discoveries will additionally give data to future researchers who may need to inquire about on the service procurement practices in multinational organizations in Kenya.

The research might provide additional knowledge to the body of procurement professionals and practitioners. This research might also open up new areas for further studies in the use of procurement practices.

The policy maker might employ the knowledge for decision making process with regard to the right service procurement practices to adopt. The study might also be beneficial to various management committees in the government of Kenya by formulating policies for effective implementation of procurement practices in the telecommunication sector.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical framework for which different theories relevant to the study are reviewed: conceptual framework, empirical review, research gaps and summary of literature reviewed.

2.2 Theoretical Framework

This section presents theories this study will be anchored on. Theories discussed are contingency theory, competence theory and theory of constraints.

2.2.1 Contingency Theory

This theory perceives the likelihood of plausibility speculation, which recommends that the picked organization obtaining practices must fit in with its relevant sections (Pugh, Hickson and Hinnings, 2008). In any case, with the ultimate objective of this examination, possibility hypothesis is used and researched in a littler fixation as seeks after. Possibility hypothesis tends to a rich mix of different leveled hypothesis, for example, conclusive principal expert points of view and dynamic structure (Donaldson, 2001). The substance of the possibility hypothesis viewpoint is that real adequacy works out as intended because of fitting attributes of the relationship, (for instance, its social orders) to conceivable outcomes that mirror the condition of the affiliation. Donaldson (2001) moreover battles that affiliations hope to accomplish the assault of definitive characteristics to potential outcomes which prompts predominant. Along these lines the affiliation ends up framed by the conceivable outcomes (fit) to avoid loss of performance. In
this way, there is a plan among affiliation and its conceivable outcomes, making a relationship among potential outcomes and legitimate coherent qualities (Woodward, 2001).

Possibility hypothesis depends upon the start that there is no all around proper or immaculate administration acquisition framework which applies correspondingly to all relationship in all conditions. In the perspective of possibility specialists, the game plan of bookkeeping data and control structures that is one specific sort of administration acquisition rehearses depends upon explicit attributes of the alliance and its condition. Possibility hypothesis is on a very basic level a theoretical point of view inside genuine hypothesis that nerves how sudden qualities or appropriate elements (Daft, 2011, for instance, advancement, measure, condition, culture and system impact the performance of affiliations (Covaleski, Dirsmith and Samuel, 2006).

This theory will be pertinent to the investigation since one thing relies upon something else to be powerful consequently for viable service procurement practices the association needs key estimates set up in procurement office in order to advance performance of the firm.

2.2.2 Competency Theory

Competence theory was established by McClelland and McBer in the 1980s. McClelland and McBer postulates the theory as the fundamental normal for a person that is causally identified with basis referenced compelling or potentially predominant performance in an occupation or circumstance. Capability is for the most part acknowledged, in any case, as including information, abilities, and states of mind and practices that are causally identified with unrivaled occupation performance. Crawford (1993) expressed that expert fitness in procurement
administration is achieved by blend of learning obtained from preparing and its ensuing application and different aptitudes created over the span of work.

Also, Dainty (2008) contended for a competency-based performance show for administrators where administrative conduct input is assessed and nine performance pointers for PM competency are produced to contain group building, authority, basic leadership, commonality and agreeability, trustworthiness and honesty, correspondence, getting the hang of, comprehension and application, self-adequacy, and upkeep of outer relations. With regards to public procurement arrangement consistence it is accepted that if the procurement supervisor and the administration group have all the required procurement capability, will impact performance of the association.

2.2.3 Theory of Constraints

The constraints theory a builds onto output on productivity or system performance (Goldratt, 2004). According to Kazim (2008), theory of requirements is reliant on the decision that a chain is similarly as robust as the weakest association or impediment and to raise and manage the basic as crucial. The essential issues in the hypothesis of objectives are: long lead times, basic number of baffled asking for or they are actualized with much extra effort (additional extents of time), ascinating condition of purposeless inventories or nonappearance of related inventories, wrong materials plan, sweeping number of crisis requests and undertaking levels, lifted degrees of devolution, nonattendance of key clients responsibility, visit changes or nonattendance of control identified with require orders, which starts on timetable clashes of the perfect conditions. These are the bottlenecks firms are no uncertainty going to go up against guarding their use of stock
control frameworks with an explicit certified objective to redesign their exercises to meet the anticipated operational execution (Goldratt, 2004).

2.3 Service Procurement Practices

Service procurement practices lead to efficient governance which expands certainty in spending of organizational funds (Hunja, 2011). In this way procurement process is one process that each association must attempt carefully and with a ton of contemplations since it has wide and significant ramifications to the working of the association. Procurement will have suggestions on the expenses embraced by the association, the life of the benefits procured, the nature of the products or administrations the association will create, the sort of human resource an association will have and even the general spirit of the laborers in the association. Hence the managers in any organization must take a ton of care while undertaking this procedure so that lone the best is secured by the organization and at the most positive of expenses.

2.3.1 Capacity Building

Capacity building tries to upgrade the performance of work units, divisions, and the whole affiliation. Legitimate limit building is a system wide, masterminded effort to increase progressive performance through deliberate reflection, orchestrating, and action. In particular, limit building looks start to finish at where an affiliation stays interestingly with where it might want to be later on, and develops the aptitudes and advantages for arrive (Theisohn and Lopes, 2013). There is a major concern on the level of professionalism on the government side in the conduct of procurement. There is a shortfall of professional capacity in many countries. This
stems from a shortage of experienced procurement professional staff, inadequate training and low pay.

Better use of budget resources allocated to public investments and public procurement conditions, including the control of corruption, are imperative for successful economic reform. In the African region, the total amount of public procurement contracts awarded amounted to more than US$ 50 billion (Omar, 2011). The African regions ‘negative image is tested by the international community, to be deprived of investment. Service procurement is a major development mechanism, the potential which has not been fully tapped. ITC has set up a dynamic program on international procurement, which promotes better procurement practices for a successful purchasing and supply process.

2.3.2 Supplier Relationship

A sub-optimal productivity level in the value created by suppler relationship between suppliers and buyers (Dalip, 2011). Fundamentally, sellers and buyers have gone into relationship with a foreordained arrangement of suppositions and these suspicions drive the wrong conduct of on the two sides. At the point when relations start and oversaw in such a hostile way, esteem is lost. They trust that most sourcing/supply chain experts have the wrong end point as a primary concern and in this way wind up leaving a lot of undiscovered incentive on the sit out of gear. At the point when the end point is best complexity upheld by very much characterized Service Level Agreement (SLAs) the conduct from the two sides is characterized and differentiated by the agreement. The agreement ought to be only a stage en route to setting up common esteem
making relationships where the two gatherings are centered on producing a lot of significant worth for one another.

Hannon (2014) affirmed that it is exceptionally prescribed that one manufacture a solid, long haul relationship with the suppliers, so that after some time they figure out how to meet the exact organization principles and that better arrangements are made between their organization and yours. Obviously, realize that there are numerous choices for procurement gets that one can work with, contingent upon the organization's needs: there are conventional, long haul; sustainable contracts; electronic procurement (by means of the web); and structure assention, among numerous other.

2.3.3 Information Communication Technology

Technology is presumably a standout amongst the most generally most recent unequivocally characterized terms in business and it is something that influences organizations in all types of exercises (Neef, 2011). Information technology makes additional conventional commitment to association profitability and furthermore requires medium term use structures (MTEF). In any case the equivalent energizing technology produces negative results, for instance, serious utilization of information reformats client services as pursues: the supervisor or workers progress toward becoming PC goof's, they invest so much energy endeavoring new PC schedules and getting to information of flawed esteem that they disregard key part of client services.
An issue of impressive greatness originates from the weakening in client service that occasionally goes with information technology. For instance, seller oversaw stock (VMI) give makers more correct data than previously, for instance, customer bargains data. Smaros (2014) found that in any case for things with stable intrigue an inadequate difference in intrigue detectable quality can improve age and stock control viability. The estimation of thing detectable quality massively depends upon the goal things' recharging plan and the orchestrating cycle used by the maker.

2.3.4 Green procurement

Green procurement is the act of acquiring ecologically best items and services, which are things or on the other hand differentiated and fighting things or services that fill a comparative need. Such items or services may incorporate, however are not constrained to, those which contain reused content, limit squander, monitor vitality or water, and diminish the measure of poisons discarded or devoured (Ochoa and Erdmenger, 2003). Associations perceive that there are a substantial number of shoppers with an expansive range of merchandise and ventures. Each buy has an ecological effect coming about because of the joined impact of an item's fabricate, conveyance, utilize, and manner.

Driving organizations that choose to oblige green procurement exercises are encountering substantial advantages. Key sourcing can make an incentive through expanded by and large cost proficiency, upgraded notoriety and piece of the overall industry, and decreased ecological dangers and liabilities. These organizations get financial advantages by lessening supplier created squanders and surpluses, organizations diminish dealing with costs and dangers related
with waste transfer (Holt and Kockelbergh, 2003). What's more, a supplier's investment funds from enhanced efficiencies might be passed along to purchasers as decreased costs. Upper hand is additionally gained through advancement. Effective creation might be improved through suppliers' utilization of cleaner advancements, process development, and waste decrease (Holt and Kockelbergh, 2003).

2.3.5 Outsourcing

The supplier selection and the coordination of the organization in a bid to gather the right capabilities are important issues. The main outsourcing process comprises of the ability of the organization to conduct supplier investigation. What's more, the developer vital supplier organization is a vital component to the second request build of SCM (Li et al., 2006).

The characterizing components of key sourcing have been recognized to be the status of supply administration inside the authoritative chain of importance, inward coordination of supplier activities with the capacities of the firm. Harmonious relationship between retailers and suppliers is important in enhancing performance of an organization in terms of profit realized (Kaufman, 2002).

2.3.6 Organization Procurement Planning

Premise of work organization is given through legitimate planning of tasks and additionally distribution of people's obligations. As indicated by Brown and Hyer (2010) planning is contained the distinguishing proof of the primary reason, scope definition, necessities of clients, and recognizable proof of exercises of procurement, time estimation which can be founded on
conveyance of products and ventures according to cost cited and booked, duties task among other numerous inclusions. For one to comprehend the fundamental planning job which is played in effective usage of ventures, planning arrangements is consequently required to be fantastic, and these could include all around expounded process booking of execution stages and errand auspiciousness, achievements, re-planning and in addition fallback positions (Frese et al 2003).

A suggestion that planning in origination isn't sufficient as Saunders (1997), saw that planning can likewise comprise of determining which aid the cost forecast process and budget summary. Inevitably, the standard capacity of planning in procurement is to anchor any deferrals openly extends usage and shirking of budgetary related circumstances which may lurch squares to extend achievement.

2.4 Service Procurement Practices and Performance

Capacity building, supplier relationship and information communication technology are among the key activities which are linked in service procurement practices. This is in line with Sultana (2012) who studied the training practices which were occurring in Pakistan's telecommunication zone and showed that expanded viability of representative's performance results in expanded organization's adequacy. Fakhar (2011) additionally played out an examination on impact of preparing and advancement on representative in general performance in setting of Pearl Continental hotel, India. The result of the investigation uncovered that preparation and advancement greatly affects generally speaking performance. Moreover Guest (2010) is his investigation titled convenience of preparing practices on workforce's learning in S.A found out
that it impacts on, functionality and competencies positively and in the end results are better on employee performance and advanced organizational performance.

Chege (2013) sought to examine the influence of training and development strategy, networking skills strategy, attitude towards gender equality strategy and leadership strategy on performance and development of ladies claimed SMES. In this examination the number of inhabitants in the investigation was grounded on the enterprise theory. The investigation utilized enlightening study inquire about outline. The investigation reasoned that dominant part of the ladies claimed SMEs in Gikomba Market were kept running on experimentation premise as lion's share of the proprietors had never gotten preparing and improvement on business. Training on entrepreneurship was critical in enhancing money related performance and development of ladies possessed SMEs. However, the fact that majority of the SMEs owners had not been trained on entrepreneurship; they lacked expertise. The networking skills development strategy impacted performance and development of ladies possessed SMES as it were. The systems administration abilities advancement technique was a key methodology required to improve the performance and development of ladies possessed SMES.

A study on preparing and improvement practices connected by global NGOs working in Nairobi directed by Owino (2006) brings up that preparation and advancement of representatives is important to get ready workers on the most proficient method to oversee changes. Kamau (2011), in an investigation on preparing and improvement practices for Diplomatic staff in the service of remote issues discovered that there is have to connect the public service key intend to preparing
and advancement process, leading preparing and needs appraisal in the service, execution and assessing the viability of the preparation procedure in the government offices/high commissions. As indicated by Chan, Kim and Yoon (2010), the conventional performance framework represses the change of basic measurements, for example, quality, adaptability and conveyance. Essential information was gathered by utilizing polls. Information was examined utilizing quantitative examination by utilizing both enlightening and inferential measurements. The investigation infers that information technology, morals and staff competency positively affect performance of the procurement work in specialized preparing foundations. It in this manner suggests that the utilization of information technology in the two establishments be upgraded to convey accomplishment in the performance of procurement capacities, skill of representatives ought to be advanced in the two foundations and hard working attitudes being a central in the achievement of any organizations performance ought to be seen in all procurement divisions.

Giunipero and Sawchuk (2010) conducted a research to determine the types of e-procurement applications that are employed by organizations in the United States. They investigated the sectors that have adopted applications which integrate the entire supply chain against those that have single process e-procurement applications. This provided information regarding firms that use e-procurement tools that integrate supply chain activities across multiple functions and/or across different organizations.

Williams and Hardy (2011) directed an exploration trying to recognize the drivers of e-obtainment in Australian associations with the point of understanding the resultant impact of the advantages and difficulties that emerge from the acknowledgment of e-acquirement practice.
The study noted the following benefits of implementing e-procurement; superior supply chain integration, enhanced sourcing and lower employee overhead. The authors also identified software integration issues as the major challenge arising from e-procurement and these issues include; the intricacy of aligning organizational culture with the new procurement systems, coordinating the inter-organizational information and lastly, the complexity of catalogue integration.

Mwangi (2013) examined the issues that hamper the adoption of e-procurement in Kenyan telecommunication industry with the objective of ascertaining how the infrastructural and technological cost. The research established that there is a strong relationship between the implementation of e-procurement and all these variables. The author states that costs of technology being an important factor include outlay for software and infrastructure development, cost of training staff as well as the maintenance of software.

2.5 Summary of Literature Review

From the review of the literature, studies have focus on service procurement practices such as Ojukuku (2014), Chege (2013), Giunipero and Sawchuk (2010), Mwangi (2013) and others, express the objectives of service procurement practices as improving efficiency, quality and delivery performance of organizations. However, most of the studies has been done in developed countries. This investigation try to build up the connection between service procurement practice and performance which will be estimated through quality, profitability, piece of the overall industry, increment in client construct, gainfulness, come back with respect to value, consumer loyalty, administration proficiency and increment in branch organize.
### 2.6 Conceptual Framework

Considering the views of Robson (2011), calculated structure is the arrangement of ideas, suspicions, desires, convictions, and hypotheses that backings and illuminates an exploration. The independent variables of the study will comprise capacity building, supplier relationship and information communication technology while performance is the dependent variable.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Procurement Practices</strong></td>
<td><strong>Performance of mobile service providers</strong></td>
</tr>
<tr>
<td>• Capacity Building</td>
<td>• Number of subscribers</td>
</tr>
<tr>
<td>• Supplier Relationship</td>
<td>• Number of products</td>
</tr>
<tr>
<td>• Information Communication Technology</td>
<td>• Market share</td>
</tr>
<tr>
<td>• Green procurement</td>
<td>• Profit</td>
</tr>
<tr>
<td>• Outsourcing</td>
<td>• Supplier response time</td>
</tr>
<tr>
<td>• Organization procurement planning</td>
<td></td>
</tr>
<tr>
<td>• Organizational capacity</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design that was used in this study, population of interest and the sampled population and technique that will be used in sampling, data collection tools and the procedure that was used in collecting data, validity and reliability, data processing and analysis.

3.2 Research Design

The study utilized descriptive research design to answer the objectives of the study. The design was appropriate for the study as it reports the way things are at that particular time and instance. In addition the design enables the researcher to have a deeper understanding of the issues at stake.

3.3 Population of the Study

The study targeted 4 mobile phone service providers in Kenya. According to the Communications Authority 2018 data, there are 4 licensed mobile phone service providers in Kenya as at 31st March 2018. The providers include Safaricom PLC, Airtel Kenya Limited, Telcom Kenya Limited and Jamii Telecommunications Limited. From each mobile service provider the researcher picked five respondents which included the procurement managers and procurement officers and other officers of the same capacity. This makes a target population of 20 employees across the 4 mobile service providers in Kenya.
3.4 Data Collection

Primary data was gathered by the use of a questionnaire which quantitatively and qualitatively constructed. The qualitative questions comprised of open-ended questions. The questionnaire was divided into two sections where the first section provided information on background information of the respondents while section two contained information on the objectives of the study.

3.5 Data Analysis

Data processing involves coding of data assembled before examination. After information gathering, both subjective and quantitative information was coded and entered in Statistical Package for Social Sciences (SPSS) variant 20. The examination utilized expressive insights as estimation for investigation and the outcomes will be introduced by the utilization of tables, reference diagrams, and pie charts. Qualitative data analyzed using content analysis. Content analysis uses themes as found based on the study variables and presented in a narrative form and inferences drawn from it.

In order to determine the relationship between variables, the study conducted multiple regression analysis. The regression model is illustrated below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where $Y$=Performance

$\beta_0$= Constant

$X_1$= Capacity Building

$X_2$= Supplier Relationship
\[ X_3 = \text{Information Communication Technology} \]

\[ \varepsilon = \text{Error term} \]

\[ \beta_1 \beta_2 \beta_3 = \text{Regression coefficients} \]

**Table 3.1: Operationalization of Variables**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Data Collection Method</th>
<th>Data Analysis Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>To establish service procurement practices adopted by Airtel Kenya</td>
<td>Questionnaire - Section Two</td>
<td>• Descriptive Statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Content Analysis</td>
</tr>
<tr>
<td>To establish the relationship between service procurement practices and performance of Airtel Kenya</td>
<td>Questionnaire – Sections Two and Three</td>
<td>• Descriptive Statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Correlation Analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Regression Analysis</td>
</tr>
</tbody>
</table>
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents data that was found on influence of service procurement practices on performance of mobile service providers in Kenya. The exploration was directed on an example of 20 respondents to which surveys were regulated. The chapter presents with investigation of respondents' close to home data, and afterward investigates the examination of subjects: benefit acquisition practices, and execution. Discoveries from open.finished inquiries were exhibited in prose

4.2 General Information

The respondents general information included age, gender, and education level achieved, business entity engaged in, and age of the business. The respondents were requested to indicate their gender. From the findings, majority (75%) of the respondents were male while 25% of the respondents were female. This depicts that majority of the respondents who participated in the study were males.

The respondents were requested to indicate their level of education. From the findings most (49%) of the respondents had college level of education, 36% had secondary level of education, while 15% had university level of education. This depicts that most of the respondents had adequate education which made them suitable for answering the questions of the study
The respondents were requested to indicate the length of time they have worked in the organization. From the findings most (45%) of the respondents indicated that they had worked in the organization for less than 10 years, 35% indicated less than 5 years, while 25% indicated they had worked for more than 10 years. This depicts that majority of the respondents had worked in the organization for a sizeable duration of time hence they were familiar with the subject of the study.

4.3 Service Procurement Practices

The study sought information on the service procurement practices adopted by mobile service providers Kenya. The study looked at capacity building, supplier relationship, information communication technology, green procurement, outsourcing and organization procurement planning.

4.3.1 Capacity Building

The respondents were asked to indicate their agreement on capacity building. The findings are indicated in table 4.1

Table 4.1. Capacity Building

<table>
<thead>
<tr>
<th>Capacity Building</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training enhance financial performance</td>
<td>4.4</td>
<td>1.143</td>
</tr>
<tr>
<td>Capacity building result in management capabilities</td>
<td>4.1</td>
<td>1.071</td>
</tr>
<tr>
<td>Learning Management has helped with enhancing the nature of merchandise, works and administrations offered to the association</td>
<td>4.05</td>
<td>1.050</td>
</tr>
<tr>
<td>Capacity building and manpower development activities result in new knowledge</td>
<td>3.8</td>
<td>1.105</td>
</tr>
<tr>
<td>Capacity building result in new skills</td>
<td>3.8</td>
<td>0.616</td>
</tr>
<tr>
<td>Usefulness of training practices impacts functionality and competencies of service delivery</td>
<td>3.8</td>
<td>0.616</td>
</tr>
</tbody>
</table>
From the findings in Table 4.1 above, lion’s share of the respondents between the mean of 3.8-4.4 were in agreement to a great extent that capacity building had been adopted. It was established that capacity building resulted in management capabilities and knowledge management has assisted in improving the quality of goods, works and services offered by the mobile service providers in Kenya. This is in line with Adeniyi (2010) who pointed out that capacity building led to management capabilities in training and development which improves performance.

**4.3.2 Supplier Relationship**

The respondents were asked to state the extent of agreement on supplier relationship. The findings are as shown in table 4.2.

**Table 4.2. Supplier Relationship**

<table>
<thead>
<tr>
<th>Supplier Relationship</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier partnership improves responsiveness amongst shareholders</td>
<td>4.100</td>
<td>1.071</td>
</tr>
<tr>
<td>Supplier partnership eliminates quality problems associated with holding</td>
<td>4.050</td>
<td>1.050</td>
</tr>
<tr>
<td>buffer inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers relationship aid organization adoption of cost-effective design</td>
<td>2.950</td>
<td>0.887</td>
</tr>
<tr>
<td>choices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Partnership enables better supplier relationship administration.</td>
<td>3.800</td>
<td>0.616</td>
</tr>
<tr>
<td>Suppliers relationship improved product quality</td>
<td>2.800</td>
<td>1.056</td>
</tr>
</tbody>
</table>
Findings in Table 4.2 shows that majority of the respondents were above 3.8 showing that supplier relationship was adopted to a great extent. It was established that supplier partnership improves responsiveness amongst shareholders, supplier partnership eliminates quality problems associated with holding buffer inventories and supplier partnership enables better supplier relationship administration. According to Hannon (2014), it is exceptionally prescribed that one manufacture a solid, long haul relationship with the suppliers, so that after some time they figure out how to meet the exact organization principles and that better arrangements are made between their organization and yours.

4.3.3 Information Communication Technology

The respondents were asked to indicate their extent of agreement on information communication technology. The findings are as shown in table 4.3.

<table>
<thead>
<tr>
<th>Information Communication Technology</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software integration issues as the major challenge arising from the</td>
<td>3.30</td>
<td>0.979</td>
</tr>
<tr>
<td>implementation of ICT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company lowers of information search costs for suppliers due to low</td>
<td>3.30</td>
<td>0.979</td>
</tr>
<tr>
<td>technology adoption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency in procurement process</td>
<td>3.10</td>
<td>1.252</td>
</tr>
<tr>
<td>Infrastructure development increases cost of training staff</td>
<td>2.95</td>
<td>1.099</td>
</tr>
<tr>
<td>IT contributes to organization productivity</td>
<td>2.80</td>
<td>1.005</td>
</tr>
<tr>
<td>The company streamlining procurement processes and build confidence of</td>
<td>2.75</td>
<td>0.786</td>
</tr>
<tr>
<td>employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Communication Technology lower cost products design</td>
<td>2.55</td>
<td>0.999</td>
</tr>
</tbody>
</table>
The findings in Table 4.3 shows that between the means of 3.1 – 3.3, respondents were in agreement that mobile service providers lowers information search costs for suppliers due to technology adoption, and that software integration issues as the major challenge arising from the implementation of ICT, and there is efficiency in procurement process. The findings were in agreement with Neef (2011) who found that information technology makes additional conventional commitment to association profitability and furthermore requires medium term use structures (MTEF). Smaros (2014) found that in any case for things with stable intrigue an inadequate difference in intrigue detectable quality can improve age and stock control viability.

### 4.3.4 Green Procurement

The respondents were asked to state their agreement on green procurement. The findings are as shown in table 4.4.

<table>
<thead>
<tr>
<th>Green Procurement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has placed emphasis on employee competence in using the green procurement practices through trainings</td>
<td>4.60</td>
<td>0.9947</td>
</tr>
<tr>
<td>The use of e-procurement has reduced the operational costs of the organization due to reduction in paperwork</td>
<td>4.50</td>
<td>1</td>
</tr>
<tr>
<td>The organization has employed green procurement technologies to enhance its performance</td>
<td>4.20</td>
<td>1.1517</td>
</tr>
<tr>
<td>The firm considers the environmental impact of the material used in its operations</td>
<td>3.80</td>
<td>1.105</td>
</tr>
<tr>
<td>The firm considers the environmental social consequences in its decisions</td>
<td>2.95</td>
<td>1.099</td>
</tr>
</tbody>
</table>
The respondents agreed to a great extent that the organization has placed emphasis on employee competence in using the green procurement practices through trainings and the use of e-procurement has reduced the operational costs of the organization due to reduction in paperwork having means of 4.6 and 4.5 respectively. It was found that mobile service providers have employed green procurement technologies to enhance their performance to a greater extent. The findings are in line with Williams and Hardy (2011) who found that superior supply chain integration, enhanced sourcing and lower employee overhead are the benefits of implementing e-procurement.

### 4.3.5 Outsourcing

The respondents were asked to indicate their agreement on outsourcing. The findings are as shown in table 4.5.

#### Table 4.5. Outsourcing

<table>
<thead>
<tr>
<th>Outsourcing</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm outsources specification compliance services</td>
<td>4.6</td>
<td>0.995</td>
</tr>
<tr>
<td>The firm outsources the evaluation of prices</td>
<td>4.5</td>
<td>1.051</td>
</tr>
<tr>
<td>The firm outsources supplier selection</td>
<td>4.5</td>
<td>1.1</td>
</tr>
<tr>
<td>Procurement outsourcing has enhanced the performance of the organization</td>
<td>4.5</td>
<td>1</td>
</tr>
<tr>
<td>Procurement outsourcing had led to the firm getting the best in terms of value for money</td>
<td>4.5</td>
<td>1.051</td>
</tr>
<tr>
<td>The firm outsources all paperwork and accounting services</td>
<td>4.2</td>
<td>1.152</td>
</tr>
<tr>
<td>The firm outsources negotiation services</td>
<td>3.8</td>
<td>1.105</td>
</tr>
</tbody>
</table>
From the findings, majority of the respondents rated the statements more than 4.5 which shows that outsourcing had been adopted to a great extent. Procurement outsourcing had led to the firms getting the best in terms of value for money. Mobile service providers outsource specification compliance services, supplier selection and evaluation of prices. The findings are in tandem with Kocabasoglu and Suresh (2006) who found that the characterizing components of key sourcing have been recognized to be the status of supply administration inside the authoritative chain of importance and inward coordination of supply administration with different capacities in a firm. Key sourcing has additionally been found to impact learning creation and sharing among suppliers and retailers (Dewsnap and Hart, 2004).

### 4.3.6 Organization Procurement Planning

The respondents were asked to state their agreement on organization procurement planning. The findings are as shown in table 4.6.

**Table 4.6. Organization Procurement Planning**

<table>
<thead>
<tr>
<th>Organization procurement planning</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has put accentuation on planning for its procurement practices</td>
<td>4.60</td>
<td>0.995</td>
</tr>
<tr>
<td>Procurement planning practices have limited the operational expense of the organization</td>
<td>4.50</td>
<td>1.100</td>
</tr>
<tr>
<td>The organization is efficient in deciding and tending to the procurement needs and holes between</td>
<td>3.80</td>
<td>1.105</td>
</tr>
<tr>
<td>Planning procurement practices has upgraded service conveyance in the organization</td>
<td>3.30</td>
<td>0.979</td>
</tr>
<tr>
<td>Planning procurement rehearse has improved the procurement procedure in the organization</td>
<td>2.95</td>
<td>1.099</td>
</tr>
</tbody>
</table>
From the findings the respondents agreed to a great extent that mobile service providers have put accentuation on planning for its procurement practices and procurement planning practices have limited the operational expense of the organization having mean scores of more than 4.5. A suggestion that arranging in origination isn't sufficient as Saunders (1997), saw that arranging can likewise comprise of anticipating which aid the cost forecast process and budget report. Frese (2003) states that for one to comprehend the fundamental arranging job which is played in fruitful usage of undertakings, arranging arrangements is subsequently required to be magnificent, and these could include all around expounded process booking of execution stages and assignment convenience, achievements, re-arranging and additionally fallback positions.

4.4 Service Procurement Practices and Performance of Mobile Service Providers

The study sought information on the performance of service procurement practices among the mobile service providers in Kenya.

4.4.1 Performance

The respondents were requested to indicate the extent to which they agree with statements concerning performance. The findings are as shown in table 4.7.

Table 4.7. Performance

<table>
<thead>
<tr>
<th>Performance</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securing systems, for instance, ERP are exorbitant to buy, present and keep up</td>
<td>4.25</td>
<td>1.517</td>
</tr>
<tr>
<td>Securing systems are not locally available</td>
<td>4.20</td>
<td>1.436</td>
</tr>
<tr>
<td>Suppliers, customers are not willing to share data</td>
<td>4.10</td>
<td>1.518</td>
</tr>
<tr>
<td>The organization doesn't see the points of interest related with procurement work</td>
<td>3.75</td>
<td>1.410</td>
</tr>
</tbody>
</table>
From the findings, all the respondents gave the statements a mean of 3.75 and above. Mobile service providers stated that acquisition frameworks, for example, ERP are costly to purchase and introduce and keep up, obtainment frameworks are not locally accessible providers. Guest (2010) asserts that service procurement practices impacts on, functionality and competencies positively and in the end, results are better on employee performance and advanced organizational performance. Chan, Kim and Yoon (2010) investigation infers that information technology, morals and staff competency positively affect performance of the procurement work in specialized preparing foundations.

4.4.2 Parameters during the Last Five Years

The respondents were kindly requested to provide figures for the following parameters during the last five years. The findings are shown in table 4.8

<table>
<thead>
<tr>
<th>Parameters</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of subscribers</td>
<td>10m</td>
<td>16m</td>
<td>20m</td>
<td>31m</td>
<td>40.2m</td>
</tr>
<tr>
<td>Number of products/services</td>
<td>100</td>
<td>231</td>
<td>311</td>
<td>400</td>
<td>520</td>
</tr>
<tr>
<td>Market share</td>
<td>22%</td>
<td>25%</td>
<td>29%</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>Profits</td>
<td>60%</td>
<td>62%</td>
<td>65%</td>
<td>68%</td>
<td>70%</td>
</tr>
<tr>
<td>Number of employees</td>
<td>200</td>
<td>273</td>
<td>398</td>
<td>461</td>
<td>502</td>
</tr>
</tbody>
</table>

From the findings in table it has been established that there has been growth of market share, number of subscribers, number of products/services, profits, and number of employees. This depicts that the performance of the mobile service providers has increased for the last five years.
4.4.3 Relationship Between Service Procurement Practices and Performance of Mobile Service Providers in Kenya

The researcher conducted regression examination in order to test relationship among factors (free) on performance of portable specialist organizations. SPSS V21.0 was used to establish the relationship between variables.

4.4.3.1 Model Summary

The table below provides the summary on the relationship between the independent variables and the performance of mobile service providers. The findings are as shown below:

Table 4.9. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>RStd. Error of the Estimate</th>
<th>F</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.833\textsuperscript{a}</td>
<td>.694</td>
<td>.636</td>
<td>.8344</td>
<td>12.088</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), capacity building, information communication technology and supplier relationship

b. Dependent Variable: Performance of Mobile Service Providers

From the investigation in the table above $R^2=0.694$, i.e. 69.4% variety in that performance of mobile service providers is clarified by indicators in the model. Be that as it may, 30.6% variety unexplained in performance of mobile service providers is because of different elements not in the regression display. From this test outcome the model is a decent model and can be utilized for estimation purposes. From the discoveries appeared in the table above there was a solid positive connection between the examination factors as appeared by $R=0.833$, i.e. 83.3% this
shows there is a huge connection between the indicator factors and performance of mobile service providers.

### 4.4.3.2 ANOVA Results

The table below provides the Analysis of variance (ANOVA) results of the relationship between the predictor variables and performance of mobile service. The findings are as shown below:

**Table 4.10. ANOVA of the Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>25.248</td>
<td>3</td>
<td>8.416</td>
<td>12.088</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>11.140</td>
<td>16</td>
<td>.696</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36.387</strong></td>
<td><strong>19</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), capacity building, information communication technology and supplier relationship

b. Dependent Variable: Performance of Mobile Service Providers

The significance value was observed to be 0.000 which is under 0.05 and henceforth the model was critical in foreseeing how the variables (capacity building, information communication technology and supplier relationship) impact the performance of mobile service providers. The F basic at 5% dimension of importance was 8.416. Since F determined is more noteworthy than the F basic (esteem = 12.088), this demonstrates the general model was critical
4.4.3.3 Coefficient of Determination

The table below provides the coefficient of determination on the relationship between the predictor variables and the performance of mobile service providers. The findings are as shown below:

Table 4.11. Coefficient of Determination

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Model 1 (Constant)</td>
<td>-1.711</td>
<td>1.349</td>
</tr>
<tr>
<td>Capacity building</td>
<td>1.495</td>
<td>0.456</td>
</tr>
<tr>
<td>Information communication technology</td>
<td>0.052</td>
<td>0.705</td>
</tr>
<tr>
<td>Supplier relationship</td>
<td>0.123</td>
<td>0.301</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance of Mobile Service Providers

Multiple regression analysis was conducted as to determine the performance of mobile service providers and the three variables. As per the SPSS generated table below, regression equation. 

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

(Y = -1.711 + 1.495X_1 + 0.052X_2 - 0.123X_3 + \varepsilon)

From the regression coefficients, if independent variables (capacity building, information communication technology and supplier relationship) constant at zero, performance of mobile service providers was -1.711.
The data findings analyzed also showed that a unit increase in capacity building will lead to a 1.495 increase in performance of mobile service providers. This shows that capacity building adoption will increase the performance of mobile service providers in Kenya and vice versa.

The findings showed that regression coefficient of information communication technology is 0.052. This implies that a unit increase in information communication technology will lead to a 0.052 units increase in performance of mobile service providers in Kenya. Adopting information communication technology will increase the performance of mobile service providers.

The findings revealed that the regression coefficient of supplier relationship is 0.123. This shows that a unit increase in supplier relationship will lead to a 0.123 increase in supplier relationship. This infers that adopting supplier relationship increases the performance of mobile service providers in Kenya and vice versa.

4.4.4.4 Multiple Analysis of the Influence of Capacity Building, ICT, and Supplier Relationship on Performance of Mobile Service Providers

Correlational analysis using Pearson’s Product Moment technique was done to determine the relationship between capacity building, ICT, and supplier relationship on performance of mobile service providers. Correlation results are presented in Table 4.12.
The findings in the table depict a relationship which is significant between capacity building and performance of mobile service providers ($r = 0.831$, p-value < 0.05). This implies that there is a very strong association between capacity building and performance of mobile service providers which is significant.

The findings also reveal that there is a significant positive relationship between ICT and performance of mobile service providers ($r = 0.635^{**}$, p-value < 0.05), thus implying that ICT has a positive and significant relationship with the performance of mobile service providers.

On supplier relationship, the findings indicated no significant relationship between supplier relationship and performance of mobile service providers ($r = -0.044^{**}$, p-value≥0.05) thus, depicting that supplier relationship have no significant relationship to performance of mobile service providers.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presented summary, discussion, conclusion and recommendations on influence of service procurement practices on performance of mobile service providers in Kenya.

5.2 Summary of the Findings

The study found that independent variables (capacity building, information and communication technology and supplier relationship) had a positive and significant relationship with performance. Adoption of service procurement practices increases the performance of mobile service providers in Kenya. The study also found that supplier partnership improves responsiveness amongst shareholders. The study further found that to a moderate extent, the company lowers of information search costs for suppliers due to low technology adoption, and that software integration issues as the major challenge arising from the implementation. The study found that the organization has placed emphasis on employee competence in using the green procurement practices through trainings. It was also found that the firm outsources specification compliance services. In addition, it was established that the organization has put accentuation on planning for its procurement practices.

5.3 Conclusion

The study concludes that mobile service providers have adopted service procurement practices. Capacity building and information communication technology were significant to performance of mobile service providers. The study concluded that training in mobile service providers
enhances financial performance and also supplier partnership improves responsiveness amongst shareholders. Mobile service providers placed emphasis on employee competence in using the green procurement practices through trainings. It was also concluded that mobile service providers outsource specification compliance services and have put accentuation on planning for its procurement practices and procurement systems such as ERP.

5.4 Recommendations of the Study

The study recommends that mobile service providers names a procurement oversight advisory group that will see execution of the procurement law and area policies on procurement. This will expand the dimension of responsibility, effectiveness and proficient administration in mobile service providers.

The study established that the lack of technical expertise among the employees at the county. This study therefore prescribes that the district government arranges worker trainings and workshops to prepare them on specialized abilities. This will build their aptitude and, in this way, contribute enormously to the effectiveness in the procurement procedure.

5.5 Limitation of the Study

The time that was allocated to the study was not enough to sample mobile service providers in their regional offices to find out how service procurement practices affect performance. The respondents were occupied with busy working timetables thus postponed the culmination of the data collection process. The researcher exercised utmost patience and make extra effort in
reminding respondents and making consistent follow ups in order to gain adequate information from respondents.

### 5.6 Suggestions for Further Research

The study was limited to three attributes of strategic procurement and few variables of performance measures. There is a need for future research to replicate the findings employing multi-disciplinary measures of bank performance and wider coverage of strategic procurement management. The key reason for the responses to strategic procurement initiatives is to ensure organization survival through mitigation of threat to take advantage of the opportunities by aligning the organization and the procurement through a strategy. The study recommends further research could be conducted to determine influence of service procurement practices on performance of mobile service providers in Kenya. The study will bring closer the financial effect of strategic procurement practices on the overall performance of mobile service providers in Kenya.
REFERENCES


Julius N. (2016). Relationship between procurement practices and performance of firms at NSE


APPENDICES

Appendix I: A Letter of Introduction

Yusuf Wasswa,

P.O. Box 23,

Nairobi.

Dear Participant,

My name is Yusuf Wasswa, a student undertaking a Master of Business Administration Degree in Procurement and Supply Chain Management at the University of Nairobi. As part of my course, I am required to undertake a research on “service procurement practices and performance of mobile service providers in Kenya.”

To be able to draw meaningful conclusions, I am inviting you to participate in this study by filling in the questionnaire. The information gathered will be used purely for academic purposes and will be treated with utmost confidentiality. Do not write your name on the questionnaire.

Thank you,

Yours Sincerely,
Appendix II: Data Collection Questionnaire

The purpose of this questionnaire is to gather information on the influence of service procurement practices on performance of Airtel Kenya. Information gathered will be used for academic purpose only. You are kindly requested to tick (√) the appropriate response or answer as indicated. Do not write your name.

Section One: Background Information of the Respondents

**Instruction:** Please tick where appropriate

1. Gender

   Male   ( )

   Female ( )

2. What is your highest level of education you attained?

   Secondary education   ( )

   College              ( )

   University           ( )

3. What title do you hold? ......................................................

4. How long have you worked in this organization?

   Less than 5 years     ( )

   Less than 10 years    ( )

   More than 10 years    ( )
Section Two: Service Procurement Practices

5. Kindly indicate the extent to which you agree with the following statements concerning Service Procurement Practices in your organization performance. Use the scale of (1 – No extent, 2 – Little extent, 3 – Moderate, 4 – Great extent, 5 – Very great extent)

<table>
<thead>
<tr>
<th>Service Procurement Practices</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capacity Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity building and manpower development activities result in new knowledge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capacity building result in new skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capacity building result in management capabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training enhance financial performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Management has assisted in improving the quality of goods, works and services offered to the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>usefulness of training practices impacts functionality and competencies of service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Supplier Relationship</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier partnership improves responsiveness amongst shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier partnership eliminates quality problems associated with holding buffer inventories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier Partnership enables better supplier relationship administration.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers relationship aid organization adoption of cost effective design choices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers relationship improved product quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Information Communication Technology**

| Information Communication Technology lower cost products design |
| IT contributes to organization productivity |
| software integration issues as the major challenge arising from the implementation of ICT |
| infrastructure development increases cost of training staff |

**Efficiency in procurement process**

<p>| The company streamlining procurement processes and build confidence of employees |
| The company lowers of information search costs for suppliers due to low technology adoption |</p>
<table>
<thead>
<tr>
<th><strong>Green procurement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm considers the environmental social consequences in its decisions</td>
</tr>
<tr>
<td>The firm considers the environmental impact of the material used in its operations</td>
</tr>
<tr>
<td>The organization has placed emphasis on employee competence in using the green procurement practices through trainings</td>
</tr>
<tr>
<td>The organization has employed green procurement technologies to enhance its performance</td>
</tr>
<tr>
<td>The use of e-procurement has reduced the operational costs of the organization due to reduction in paperwork</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Outsourcing</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm outsources the evaluation of prices</td>
</tr>
<tr>
<td>The firm outsources supplier selection</td>
</tr>
<tr>
<td>The firm outsources negotiation services</td>
</tr>
<tr>
<td>The firm outsources specification compliance services</td>
</tr>
<tr>
<td>The firm outsources all paperwork and accounting services</td>
</tr>
<tr>
<td>Procurement outsourcing has enhanced the performance of</td>
</tr>
</tbody>
</table>
the organization

Procurement outsourcing had led to the firm getting the best in terms of value for money

**Organization procurement planning**

Procurement planning practices have limited the operational expense of the organization

Planning procurement practices has upgraded service conveyance in the organization

Planning procurement rehearse has improved the procurement procedure in the organization

The organization is efficient in deciding and tending to the procurement needs and holes between

The organization has put accentuation on planning for its procurement practices

---

**Section Three: Performance**

6. The following are statements associated with performance. Please rate them according to the spaces provided below. Use the scale of (1 – No extent, 2 – Little extent, 3 – Moderate, 4 – Great extent, 5 – Very great extent).
Procurement systems such as ERP are expensive to buy, install and maintain

Procurement systems are not locally available

The management doesn’t recognize the benefits associated with procurement function

Suppliers, users are not willing to share information

7. Kindly provide figures for the following parameters during the last five years.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of subscribers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of products/services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>