

**PROCUREMENT PROCEDURES AND PROCUREMENT PERFORMANCE OF
SECURITY FIRMS IN NAIROBI, KENYA**

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DECLARATION

I declare that this research project is my original work and has never been submitted to any other University for assessment or award of a master's degree.

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This project has been submitted with my authority as the university supervisor.

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DEDICATION

This project is dedicated to: my wife and all family members, for their support and encouragement throughout this project: my friends and colleagues, I appreciate them for their guidance and support. It is also dedicated to all security firms who desire a change in their procurement procedures.

To God almighty, thank you so much.

ABSTRACT

The research was aimed at probing the correlation between procurement procedures and performance of security firms in Nairobi, Kenya. To find out whether there are procurement procedures used by security firms in Nairobi, Kenya, to determine the extent of adherence of procurement procedures in security firms in Nairobi, Kenya, to inaugurate the relationship between procurement procedures and procurement performance in security firms in Nairobi, Kenya. This study is anchored on Institutional and Agency Theory. This study was carried out by means of a descriptive survey methodology. The target sample in this research constituted registered security firms in Nairobi, Kenya which are 88 in number (KSIA, 2016), appendix II. Considering that the population is not too large, a census is proposed. During the study, the researcher utilized a questionnaire that included closed and open-ended questions. For section A, B, and C, descriptive statistics method was adopted. Section D employed correlation and regression analysis. Correlation analysis was utilized in the determination of independent variables and dependent variable relationships, while to find out the degree of the relationship among the variables, regression analysis was brought into play. This research found the existence of a solid important positive correlation between procedures employed in procurement and the procurement performance of security firms. A unit increase in procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and Terms Analysis, Release of Purchase Order, expedite for Delivery, Invoicing for Approval and Record Keeping) leads to an increase in the procurement performance of security firms. Further the study concludes that needs in security firms arises from users, and suppliers are properly sourced, Procurement in security firms observes record keeping, Proper expedition alleviates delays, all purchases are accompanied by a PO and price and terms analysis is properly done. Procurement procedures link with procurement performance in the security firms to a great extent. Need recognition, controls level of purchases and specification writing avoids unnecessary purchases. The study established that most of security firms had procurement department, but few firms were found not to have procurement department. Therefore this study recommends that management should ensure that each security firm has a functioning procurement department. To improve the performance of security firms this study recommends; a well systematic process to identify procurement requirements and written procurement procedures should be established in every firms. The management should focus on timely release of purchase orders and procurement records in order to increases procurement performance. This study focused only on relationship between procurement procedures and performance of security firms in Nairobi, Kenya. Therefore, another research should be carried out to establish challenges facing security firms in Kenya generally. Another research like this should also be conducted other companies across the country, including more independent variables. A major limitation was secrecy on information. There was unwillingness of informants from some security firms to give information and fill questionnaires. Some respondents feared that the information obtained would be used against them

TABLE OF CONTENTS

ACKNOWLEDGEMENT	iii
DEDICATION	iv
ABSTRACT	v
LIST OF TABLES	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Procurement Procedures	2
1.1.2 Procurement Performance	3
1.1.3 Security Firms in Kenya	4
1.2 Research Problem.....	6
1.3 Research Objectives	8
1.4 Value of the Study.....	9
CHAPTER TWO	10
LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical Literature Review.....	10
2.2.1 Institutional Theory	10
2.2.2 Agency Theory	11
2.3 Procurement Procedures.....	12
2.4 Procurement Performance	14
2.5 Procurement Procedures and Procurement Performance	15
2.6 Empirical Literature Review	16
2.7 Summary of Literature Review	18
2.8 Conceptual Framework.....	21
CHAPTER THREE	23
METHODOLOGY	23

3.1 Introduction	23
3.2 Research Design	23
3.3 Population.....	23
3.4 Data Collection.....	23
3.5 Data Analysis	24
CHAPTER FOUR.....	26
DATA ANALYSIS, PRESENTATION AND INTERPRETATION	26
4.1 Introduction	26
4.1.1 Response Rate.....	26
4.2 Demographic Information	26
4.2.1 Gender	27
4.2.2 Age Distribution	27
4.2.3 Years of existence of the company.....	28
4.2.4 Educational Level of Respondents	29
4.2.5 Number of Employees	29
4.3 Procurement Procedures Used By Security Firms	30
4.4 Adherence of Procurement Procedures in Security Firms	31
4.5 Procurement Procedures and Performance	32
4.6 Regression Analysis	33
4.7 Correlation.....	37
4.8 Discussion of the Findings	38
CHAPTER FIVE	40
SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS	40
5.1 Introduction	40
5.2 Summary of Findings	40
5.3 Conclusion.....	41

5.4 Recommendations for the Study	42
5.5 Suggestions for Further Research	43
5.6 Limitations of the Study	43
REFERENCES	44
APPENDIX I: QUESTIONNAIRE	47

LIST OF TABLES

Table 4.1 gender of the respondent.....	27
Table 4.2 Age Distribution	27
Table 4.3 Years of existence	28
Table 4.4 Level of Education.....	29
Table 4.5 Number of Employees	29
Table 4.6 Procurement Procedures	30
Table 4.7 Adherence of Procurement Procedures.....	31
Table 4.8 Procurement Procedures and Performance	33
Table 4.9 Regression Model Summary.....	34
Table 4.10 Anova ^a	34
Table 4.11 Regression Coefficients	35
Table 4.12 Correlations.....	37

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Procurement has increasingly become outstanding in all entities whether private or public. There has been an increasing concern of how entities handle the entire process of procurement considering the big spent. Despite its importance, there has been limited research undertaken to examine procurement procedures and procurement performance in security firms in Kenya. In the contemporary world of competition in all sectors, and ever dwindling budgets, procurement strategy is becoming increasingly important (Heller, 2013).

Rotich (2011) argues that the assessment of procurement performance has all the time been exasperatingly tough for procurement professionals. Conventionally, companies focus on the analysis of their internal orientations, which never gives an accurate picture of how, in terms of performance, these companies stack up against their present-day competitors, Rotich asserts. Procurement takes a lead role in ensuring that the sustainability of an entity remains sound.

There still remains a need to look into ways procurement procedures may help boost the performance of the procurement function in security companies. The idea of taking a broad view that procurement is unfruitful without proper criterion used to conclude is not reasonable. Only when the procurement procedures are keenly looked into, will it be ideal to make justified conclusions. (Mori & Doni, 2010).

Additionally, many organizations concentrate on costs as the sole indicator of performance. It is also very key to note that procurement becomes a costly activity if the

Purchase Order Turnaround of Procurement requests exceed a 48 hour turnaround for two-thirds of the Purchase Requests if sufficient information is clearly stated on the Purchase Requisition and has been competitively sourced. If the procedure is too lengthy without considering proper thresholds, then again the procedure becomes an inhibiting factor to the performance of the entity. Sometimes earlier, procurement staff concentrated on processing purchase orders, but the contemporary environment has expanded the role to controlling entire procurement process (Sollish and Semanik, 2012)

1.1.1 Procurement Procedures

Procurement procedure according to Farrington and Lysons (2012), the term procurement procedures refers to sequential steps or techniques for getting a task done. Bolton (2006) stated that procurement procedures must be fair, competitive and must control costs. If procurement is well managed, it adds value to an organization and save time and money as well. Procurement involves identifying where value lies by identifying it in the value chain and relating it so that each portion is addressed properly. This process is sometimes procurement diagnostics. (CIPS Knowledge, 2013)

In certain cases, a company may solicit tenders from only a small number of providers, such as when the cost of scrutinizing the tenders may be higher than the advantages of allowing more competition as allowed under PPDA ACT 2015. Such factors oftentimes affect supplier characteristics, for example, preferences for buying from women, disabled persons etcetera. The customary purchasing procedures involve identification, pre-ordering and Post ordering phase (Kennard, M., 2006)

Procurement procedures starts from need recognition, where the user department raise a purchase requisition. This is followed by specifications writing after which the

procurement officer sources supplier options. The officer in charge negotiates for price and terms and issues a purchase order. Expedition is the next step to ensure that goods are received and inspected. Goods are invoiced for approval and payment, which culminates to record keeping (Solenko, 2014). Total adherence to procurement procedures are individual and a corporate responsibilities and this is key to note (Duncan, 2009)

1.1.2 Procurement Performance

Procurement performance is many times judged by cost synergies. Measuring procurement should be largely an improvement process. The idea should not be just to measure, but to identify areas which can be filled and save leakages. Procurement is a multifarious function with numerous tiers of suppliers and participants (Feisel. et al. 2011). Performance measurement process thus considers key aspects agreed upon by all the participants and gives results in line with the organization goals. Measuring the performance of a procurement department can complex though firms need to work aggressively to define criteria that will be used to measure procurement performance (Brammer & Walker, 2011).

This is as well done by setting up connections between the task that is being executed and the financial results of the company, the procurement department can gain clear visibility in the organization and exhibit the effect of procurement decisions as well as resource utilization on the organizational profitability index (Busch, 2010). The performance measurement ensures that procurement department makes and implements decisions valued by the strategic leadership of the firm. Firm's performance is basically measured by its performance in comparison to its competitors. In due course, the purchasing

function evolves into an indispensable component of the company's competitive success. (Cousins, 2006) Decisions about the supply chain and its performance can directly affect earnings via every of the three core elements of the income statement. The majority of managers don't have trouble grasping the fundamental income statement elements that constitute revenue, production expenses, and administrative overhead outlays (Yen.et.al, 2012).

One way of measuring procurement performance is by use of saving tracking scorecard. This helps to track progress towards financial goals, quantify procurements value contribution in an organization. The result for this is enhanced respect for the accomplishments of procurement, appeal to superior-quality talent, sharing inside the procurement function in line with best practices, and enhanced internal confidence as well as harmony in procurement. Strategies employed in the gauging of performance ought to be created to encourage employees at all levels to participate in organizational growth. Such may include; Performance evaluation to share performance metrics that pinpoint achievements as well as aspects that require working on, routine staff meetings to review performance metrics and improvement, benchmarking, and others (Barsemoi et al., 2014) Procurement should prove value addition to the entity. Proper actions ascertain that procurement is buoyed and activities fall in line with the company strategy.

1.1.3 Security Firms in Kenya

In Kenya, private security companies mostly provide important defensive, without-arms services to enterprises, building owners, offices, as well as embassies. The security firms are different from privately-owned and run military firms whose staff has training in military tactics and equipment. In Kenya, the state is yet to fully release the spectrum of

security, and as such, private security ought to be interpreted against the bigger backdrop of reform in the security sector. (Mkutu and Sabala, 2007). In many nations, police services have inadequate capabilities, and they're unable to satisfy the requirements of the private sector. (Bakrania, 2014).

Security firms contribute a lot in the welfare of our society. Instances of insecurity in Kenya, including the growing frequency of terror attacks, have brought about a higher requirement for private security. More private security companies are entering the scene following a solid growth of the economy as well as the discovery of natural resources. (PSCs) (F, 2015). According to some estimates, there are currently between 200 security firms in the Kenyan market, employing about 300,000 guards.

Private security demand has also been driven by the latest positive growth of the Kenyan economy, bringing about the appearance of middle-income earners that will readily use money on security. Kenya became a lower middle-income nation status in 2012, indicating that her economy is 25% bigger than implied by earlier statistics. Her GDP currently stands at US\$55.2 billion, and thanks to an optimistic growth rate projections for the future, there will be significant growth in the private security sector (<http://www.ksia.co.ke> retrieved June, 2016). Similarly, the extractive sector has seen interests in local as well as international private security firms. A case in point is the KK Security Group that, although typically recognized for its guard services, has created a new division focused on oil and gas with a view to tapping into this attractive opportunity. Certainly, these firms have an important part to play in complementing state security services. No one can argue with the fact that PSCs have a substantial part to play in sealing the security cracks left open by state agencies (Noor and Wagacha, 2015)

1.2 Research Problem

Procurement procedures should be followed by and hold responsible all directors, management, as well as employees within an entity in any circumstances where they're participating in purchase processes, be it as of the organization in any situation where they are involved in a purchasing process, whether as requisitions staff, specifiers, purchasing officers, negotiators, or personnel involved in payment validation or authorization (CIPS Knowledge, 2013). Procedures which affect the delivery of important items in security firms should be avoided and as well relooked into so that procurement stamps its overall role of ensuring the old adage of: supply of goods at the right price, place, quality, quantity and time. Proper procedures ensure timely deliveries while improper procedures threaten survival of an organization in a competitive environment like today (SPG, 2015). "Procurement has made great progress as a function over the last decade, positioning itself as a strategic business partner." Businesses that do not comprehensively address all areas of procurement will soon lag behind, the report predicted. Standardization, a core element of the procurement process, varies from business to business and serves several purposes (Deloitte Consulting, 2012)

Private security plays an important role in the enforcement of the safety of people, property, and intellectual property, such as classified company information (CIPS Knowledge, 2013). It is the duty of private security personnel to protect much of the country's institutions and important infrastructural equipment, with the inclusion of transport, the manufacturing industry, utilities, transport, learning institutions, and healthcare facilities. Businesses are also relying a lot on private security—with many enlisting security companies for assistance with duties like store security, staff security

vetting, private investigations, and information and communication technology (IT) security (Police Chief, 2006).

Globally, Klemencic (2006), conducted a study on Supply chain management, the researcher found that the first step to achieving ultimate goal in supply chain is by evaluating current processes in procurement to boost performance. The researcher brought into focus the perception of supply chain, infrastructure supporting the processes, and association as well as teamwork with internal and external partners. The study also found that supply chain processes are more or less implemented, and there is a need to have a structured approach to document and improve processes needed to execute important supply chain tasks to bring products. This assures harmonized management of tasks and improved process efficiencies.

Henningsson and Nilsson (2009) looked into operational brilliance with Supply Chain Management (S.C.M) on the basis of a comprehensive analysis and view and key performance indicators (KPIs) revealed that a basis for cost-effectiveness in the way goods and information flow as well as the manner of operations within the procurement process is key. The authors have proposed changes to the existing measurements and proposed new measurements in order to fill the information gaps and to be able to give a better picture of the procurement performance. Kakwezi and Nyeko (2010) on their study on procurement processes and performance stated that for decades, professionals, scholars, and researchers have had interest in procurement performance following the terrible performance created by the failure to follow appropriate processes and methodologies.

Locally, Omondi (2013) on his study on influence of procurement procedures in the performance of a construction project, discovered that several approaches and procedures

were used contrary to norm, where only one procurement approach is selected and used thus negatively impacting on the project. Thus it's clear that procedures are very key in performance of entities. Chemoiywo (2014), in her study on public procurement procedures and supply chain performance concluded that on the extent of compliance with procurement procedures, increasing the capabilities of service providers has been shown to be an important enhancer of success in the reform of public procurement—a principle that's also true for private security firms. It is essential that procurement authorities come up with training programs to reinforce adherence. Mutai (2015) on his study on impact of procurement policies and procedures on supply chain performance of commercial banks in Kenya revealed that procurement policies and procedures are applied to varying degrees by commercial banks in Kenya in enhancing its supply chain performance.

Past studies have clearly shown the impact of procurement procedures on performance of entities. However, most of them have not fully researched procurement procedures and performance of security firms. It was against this gap that this study sets to answer the questions; to what extend do security firms adhere to procurement procedures in Nairobi, Kenya and how do procurement processes and performance relate with each other in security firms in Nairobi, Kenya?

1.3 Research Objectives

This research was aiming:

1. To find out whether there are procurement procedures used by security firms in Nairobi, Kenya.

2. To determine the extent of adherence of procurement procedures in security firms in Nairobi, Kenya
3. To ascertain the connection or relationship between procurement procedures and procurement performance in Nairobi, Kenya security companies.

1.4 Value of the Study

The findings of this study is a key to security firms. It is used to benchmark on processes, and use the same study to align their procedures with needs for subsequent performance. It helps security firms to think of supply chain as a tactical as opposed to an strategic operational function. Procurement professionals also working with security firms benefit a lot from this study as they can use it as part of their training needs. Those who get the opportunity to read the study greatly appreciates the impact of procedures on performance and correct any prevailing anomalies on their part.

Bodies who embrace procurement activities and training like PPOA, KISM, KIM and universities can use this study to form part of their curriculum as many procurement officers are trained and lack the proper expertize to decide on which procedure fits which need and build prudent procurement practices. This research closes the literature gap that exists concerning the standard procedures and supply chain performance that Kenyan in security companies embrace; therefore, what's concluded in this study can be of value to researchers in future because it creates a foundation on which scholars can carry out additional studies on adherence to procurement methodologies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is purely on literature review. It includes a look into the several studies that have been carried out by other researchers relating to procurement procedures and procurement performance of security firms in Kenya. This helped clarify and guide each stage of the research and subsequently utilization of research findings.

2.2 Theoretical Literature Review

A study can further be espoused by reviewing its theoretical foundations. Theories are tools for analysis which helps understand, expound, as well as coming up with projections concerning the subject matter. This research was based on Institutional and Agency Theory.

2.2.1 Institutional Theory

Institutional theory is a wide ranging and often confusing area, which, according Scott (2004) serves the profound depths and more resilience of social structure elements. It looks into the methodologies by means of which structures, such as diagrams, set of laws, customs, and habits, become entrenched as respected directives for social conduct. Directly, it can be seen that there is a large and perhaps surprising degree of correspondence between institutional theory and the current topic of procurement procedures and performance in security firms. Blair, (2010). The regulative pillar deals with unequivocal control procedures – rule-making, tracking, and sanctioning functions. Organisations comply with the rules for reasons of expediency as basis for compliance Brammer et al. (2012).

In Kenya, the PPDA ACT 2015 dictates private procurement guidelines. All private entities and firms ought to strictly adhere to these regulations and guidelines. Thus each of the three pillars has its own area of theorists who will tend to give more emphasis to a particular pillar than to the others. The rules, which according to the researcher are the procedures, must be well diffused for the best performance of procurement, since it plays a key role in performance of institutions.

2.2.2 Agency Theory

The agency theory was advocated by Donahue, (1989), explains how procurement managers must play the agency role. The procurement department takes the role of agents on behalf of their institutions. The Principal-Agent model main concept is the premise the Principal is so busy that they can't execute a certain task, making it important to hire an agent, but the principal cannot supervise the agent ideally because he or she is busy. According to the agency concept the principals (owners) must supervise and be in command of agents (managers) to guard the owners' outstanding claims from the extremes of self-centered agents, Bansal, (2013)

This theory is very key in this research as well. The principal are the CEO's, entrepreneurs of different organizations, here the security firms. The agents are the procurement professionals. The best way an organization can achieve performance is by ensuring that all these work with the same cognitive dissonance to ensure there is utmost performance in any entity. Procurement procedures must be embraced by both the principal and the agent to avoid agency conflicts (Arrowsmith, 2010).

In conclusion, procurement can be seen as having a minimum of two components with two different objectives--a buyer and seller in competition for contracts. Nonetheless, on

top of the agency connection that the buyer and competing vendors have, several internal stakeholders with potentially conflicting interests may also exist, increasing the sophistication of the procurement process. This is where institutional theory and agency theory may be helpful in decision making.

2.3 Procurement Procedures

Procurement procedures involve decision making whereby the authority in charge of the process compares several purchase requisitions that have been sent in reaction to a necessity, against pre-determined conditions prior to picking one or denying all of them. The decision reasoning for procurement may be described as: a selection process with only one winner amongst multiple options, whereby, the options are evaluated simultaneously on the basis of the same pre-set, harmonized formula. Procurement procedures may also be methodologies encompassing groups, and to finish the work, negotiations among interested parties is an important aspect (Csaba, 2006)

Recognition is the first step in procurement. Before the procurement department decides to purchase an item, they must acknowledge that the item is needed. This time may be ordered for the first-time or as a repeat order (Solenko, 2014). This is followed by Specification writing. It is important to have particular specifications for different items. If that is so for your business, ascertain that you're familiar with the latest such industry requirements and order as appropriate (GPM, 2016). The Procurement officer looks into supplier options. Each business has to figure out where to obtain their goods. In certain firms, there is a pre-approved vendor's list (an acceptable practice), and other firms are in the process of identifying their most dependable vendors. Hence, relationship builds and then establishes preferred pricing. (Elliott, 2013)

Thereafter, the price and terms are chosen, procurement personnel determine acceptable terms for pricing and other specifics. A purchase order is issued to indicate the official legally binding agreement utilized in buying the product. The purchase order indicates the pricing, stipulations, as well as terms and conditions of the item being ordered and any other requirements. Expediting is the next phase that caters to the timeliness of the item being supplied. The anticipated date of delivery will be part information included in the purchase order (Solenko, 2014; Mdundo, 2011). The item is then received and inspected by the receiving personnel, who may accept or reject the time. If the item is damaged, it'll certainly always be rejected (Norton, 2013).

The next procedure is the acceptance of the invoice and payment, at which point, three documents ought to match when payment to the supplier is anticipated. The documents are invoice, delivery note, as well as the initial purchase order. This is referred to as three-way matching. Any inconsistency must be addressed prior to making of any payment. If there is a discrepancy, it must be resolved before payment is made. (Solenko, 2014, Norton 2013). This is then followed by record keeping. These are holistic procedures which are key in an entity. (Solenko, 2014, Mdundo, 2011)

In order for an entity to work effectively, the management must understand the process in which products and services are obtained. For there to be proper adherence, the procurement department must have proper autonomy, qualified staff, training and sensitization on need for adherence in all departments, proper procurement methods among others. (Jeptepkeny, 2015)

There are many advantages in the successful automation of procurement processes. Firstly, the measure removes the expensive, time-wasting manual functions and at the same time providing supply management personnel the tool and improved visibility

required to manage more prudent procurement calls (Bartolini, 2012). The use of computerized purchase order processing makes it possible for procurement professionals to increase their cost-effectiveness and productivity. Consequently, this may cut down personnel costs that come with purchase order processing (Partida, 2014)

2.4 Procurement Performance

The evaluation of procurement performance takes into consideration of both the strategic and operational dimensions of the procurement function. From the operational dimension, procurement performance relates to the costs of purchasing, product and/ or service quality, delivery and flexibility in procurement (Henke, 2009). On the strategic dimension of procurement performance it considers innovation in the purchasing process. In both cases, the measures that underlie the dimensions are multiple and differ based on inputs/outputs costs as well as quality, purchasing tasks costs, proportion of the just-in-time vendors, inventory turns, lifecycle durations for procurement, and timely deliveries (Lysons & Farrington, 2006).

As per Weele (2009) the effectiveness and efficiency of purchasing leads to purchasing performance. Performance is the foundation upon which an organization may gauge its progression toward the accomplishment of its pre-decided objectives, recognition of its strong and weak areas and choices on future programs with the view of triggering performance enhancements. As such, purchasing performance is not the ultimate objective, but an approach to a cost-effective control and checking the purchasing function. The cost-effectiveness of purchasing stands for numerous distinct competencies and abilities for the purchasing function.

Efficiency implies to “do things right” while on the other hands effectiveness means to “do the right thing”. The implication of this is that an effective entity is not necessarily

efficient, as the difficult part is to balance between the two. Assessing how the purchasing function performs brings gains to entities, for example, decline in costs, higher profits, ascertained supply, enhancements in quality, and a soaring competitive edge as suggested by (Batenburg & Versendaal, 2006).

Poor procurement performance on its part contributes to rising inefficiency as well as costs and competitiveness of the procurement function. According to Mlinga (2009), the bad performance of procurement is a factor in the decline of profits for the private sector, and as such, it is a significant hindrance to the realization of organizational growth as it leads to delays in delivery, low quality goods and services and increase in defects. In both private and public sectors, poor procurement performance results from inability to embrace e-procurement, use traditional procurement procedures and poor coordination of procurement activities between the requisitioning departments and the procurement department.

2.5 Procurement Procedures and Procurement Performance

The increasing demand for reduced costs, higher quality, better customer service, and uninterrupted supply have substantially raise the stature of supply chain management in organizations, thus calling for procurement to improve on processes for performance (Farrington and Lysons,2012). The performance of procurement begins with the efficiency as well as effectiveness within the procurement function with a view to shifting from a reactive state to proactive stance to achieve predetermined performance levels within an organization. As per Weele (2009) purchasing performance is viewed as the outcome of two components: purchasing effectiveness & purchasing efficiency. Performance provides the foundation for an organization to gauge its progress toward achieving its predetermined goals, determination of strong as well as weak areas and

decision-making on projects of the future for the purpose of kicking off enhancements on performance. In that case, purchasing performance is never the final goal in itself; rather it is a way towards the effectiveness and efficiency in the regulation and tracking of the purchasing function (Lardenoije, Raaij, & Weele, 2005).

For an entity to alter its orientation and gain competitiveness it must examine obstacles to change that may result in the decline of the purchasing function. For entities that lack means for performance within their processes, methodologies, as well as plans, their performance is lower and customer/staff displeasure levels are higher. Gauging the performance of the purchasing task brings about numerous benefits to organizations, for example, cost cutbacks, and improved profit-making, guaranteed supplies, a boost in quality, as well as an advantage over competition (Batenburg & Versendaal, 2016).

Prior to gauging performance, an entity may not figure out how healthy their performance is and why tracking performance is essential. Measurement provides feedback and information for analysis and decision making the entire network of supply to optimize overall performance (“Measure performance”, 2009). Perhaps the clearest statement about the importance of measurement is Lord Kelvin's 1824-1907: "When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind."

2.6 Empirical Literature Review

Many studies have been done on procurement procedures and performance in different industries. Globally, Klemencic (2006), study on supply chain management (S.C.M), the researcher stated that the first step to achieving ultimate goal in supply chain is by

evaluating current processes in procurement to boost performance. The researcher continued to highlight some key main areas as: supply chain scrutiny, infrastructure utilized in processes, as well as organizational cooperation with inside as well as external partners. To assure efficient coordination of decision across supply chain (S.C), proper procedures are crucial. Integration of processes leads to successful implementation of S.C.M.

Henningson and Nilsson (2009), study on brilliance in supply chain management, found that superiority of operations within the supply chain management has an impact on the efficiency and effectiveness of the transmission of products and information, as well as the manner of operations inside of the procurement process. They concluded that transparency within the Procurement and Supply's department was not satisfactory and found few information gaps within the internal procedures.

Kakwezi and Nyeko (2010) study on procurement processes and performance unearthed that for decades the issue of how well procurement is doing has continued to command the interest of experts, scholars, and researchers especially because of the unacceptable performance caused by non-compliance to laid down processes and methodologies. As such, organizations that have in place performance metrics for the methodologies, processes, and campaigns witness higher customer satisfaction and personnel turnover than entities that don't measure performance. The main idea is to ascertain that there are metrics in place and they're being implemented on their intended functions.

Omondi (2013), while looking into the effect procurement procedures can have on the performance of a construction project, found that in terms of the procurement approach or procedure employed in his research, the survey found out that a number of approaches and procedures were used contrary to norm, where only one procurement approach is

selected and used thus negatively impacting on the project. Thus it's clear that procedures are very key in performance of entities.

Locally, Chemoiywo (2014), in her study on public procurement procedures and supply chain performance asserted that on the extent of compliance with procurement procedures, improving the capabilities of service companies has been shown to a booster successful reforms in public procurement, a principle that's also true for private security providers. There is the urgent need for those in charge of procurement to set up training programs to ensure compliance which is value addition to supply chain. Training improves compliance.

Mutai (2015) on his study on impact of procurement policies and procedures on supply chain performance of commercial banks in Kenya revealed that procurement policies and procedures are applied to varying degrees by commercial banks in Kenya in enhancing its supply chain performance. It also identified that commercial banks in Kenya have in place procurement policies and procedures that have enhanced the performance of their supply chains and in the long run has also lead to improved financial performance. The importance of measurement has been emphasized by scientists, engineers and managers for many years. Godfrey, (2009) said that one cannot manage what we cannot measure, he also continued to say that it's vital to be careful what you measure because that is what you get.

2.7 Summary of Literature Review

In reference to the aforementioned literature review, obviously, procurement procedures, policies and performance have roots that date back long ago around the world, and the

only gap evidenced was to research the same in security firms. This is illustrated in the table 2.1 below.

Table 2.1: Summary of Literature Review

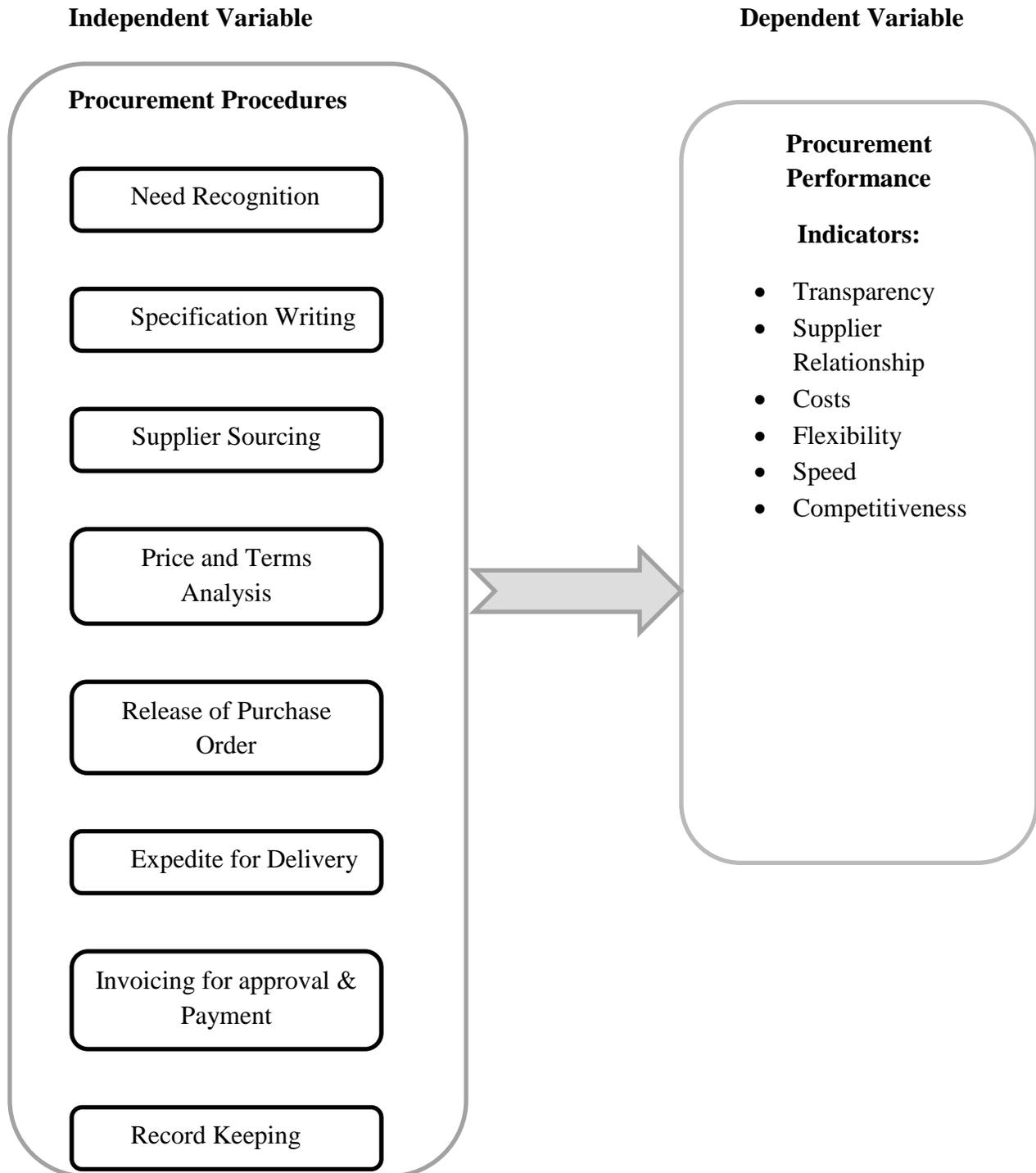
Academicians	Research	Key Findings	Knowledge Deficits
Henningson & Nilsson (2009)	Excellence in Supply Chain Management	Transparency within the Procurement. Visibility of activities conducted in a procurement department.	Information gaps within the internal procedures were significantly noted
Klemencic (2006)	Supply Chain Management	Evaluation of current processes in procurement boosts performance	The study restricted research on Integration of processes which is key in procurement.
Kakwezi and Nyeko (2010)	Processes in procurement alongside performance	Great performance is the product of efficient and effective procurement	The study did not proclaim that customer satisfaction and quality of employees is a key to performance.
Chemoiywo- (2014)	Public Procurement approaches and	Procurement authorities must organize training to ensure compliance	The study ignored procurement audits on processes which is wanting

	performance in government- owned corporations		
Omondi (2013)	Influence of Procurement Procedures on construction performance	Approaches and procedures were used contrary to norm.	The study concentrated on construction companies only and ignored Procedures for performance.
Mutai (2015)	Impact of procurement policies and procedures on supply chain performance	Procurement policies and procedures are applied to varying degrees	The study did not unfold adoption of laid down policies and procedures

Source: Researcher, 2016

2.8 A Theoretical Structure of Concepts

Figure 2.1 Framework



Source: Researcher (2016)

In the conceptual framework depicted in Figure 2.1, procurement performance depended on procurement procedures which start from need recognition to procurement records. This affected issues including supplier relationship, staff motivation, costs and customer relationship management.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter looks into the methodologies employed in this research. It defines the following: the design of this study, targeted population, sample, strategies for data collection, and data analysis approaches that this research process followed.

3.2 Research Design

A descriptive survey design was deployed to carry out this study. A descriptive survey is the effort to gather information from members of a particular population with a view to figuring out the present-day status of the population in question regarding one or several variables (Burton, 2007). This design looks into the degree to which security providers in Kenya comply with procurement procedures. Chemoiywo (2014) successfully used this method in her study on public procurement methodologies and the performance of supply chain functions performance within Kenyan government-owned corporations.

3.3 Population

The population of focus in this undertaking were all the registered security firms in Nairobi, Kenya and are 88 in number (KSIA, 2016), appendix II. Considering that the population is not too large, a census was carried out.

3.4 Data Collection

Open-ended and closed-ended queries were employed in this research. The questionnaire presented included closed as well as open-ended inquiries, with forms as tool for collecting data. There were three parts in each questionnaire. Section A was used to record general details about the respondents and security firms. Section B recorded the

extent of adherence of procurement procedures in security firms in Kenya. Section C was with the relationship between procurement procedures and performance in security firms in Kenya. The key respondents were procurement or operations staff. The researcher used drop-off and Pick-up later method which is an approach used to reduce non-response and bias.

3.5 Data Analysis

Prior to processing the answers, the filled-in questionnaires were reviewed for totality and reliability. Descriptive statistics method was adopted for sections A and B. Correlation and regression breakdown technique was deployed for the third section (C). To figure out the logical connection between independent variables and dependent variables, correlation analysis came into play. On the other hand, regression analysis helped find out the extent to which the research variables related with each other. The regression model used was as follows:

$$y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \dots + \beta_8X_8$$

Where:

Y = Procurement performance

β_0 = Constant Term

β_1 = Beta coefficients

X1= Need Recognition

X2= Specification Writing

X3=Supplier Sourcing

X4=Price and Terms Analysis

X5=Release of Purchase order

X6=Expedite for Delivery

X7=Invoicing for approval

X8=Record Keeping

Table 3.1 Summary of Data Collection & Data Analysis

Objective	Data Collection	Data Analysis
General Information	Section A of Questionnaire	Descriptive analysis
Whether there are procurement procedures already in play.	Section B of Questionnaire	Descriptive analysis
Extent of adherence of procurement procedures in security firms in Kenya	Section C of Questionnaire	Descriptive analysis
Relationship between procurement procedures and performance in security firms in Kenya	Section C of Questionnaire	Correlation and Regression analysis

Source: Researcher (2016)

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The presentation and interpretation of the research findings are discussed in this chapter. The objective of the research was to find out the relationship between procurement procedures and performance in security firms in Nairobi. Structured questionnaires that were offered to 88 procurement or operations staffs of the security firms in Kenya, were used to record primary data. The data was thereafter analyzed according to the goals of the research and the conclusions were offered in line with the different classes underlined below.

4.1.1 Response Rate

This research focused on 88 respondents, out of which 67 completed and turned in the questionnaires, working out 76.14% response rate. The response rate was a sufficient basis for the study's findings as these were reasonably representative. A 50% response rate is sufficient for scrutiny and reporting; a 60% rate is considered okay, while a 70% rates is beyond excellent (Mugenda and Mugenda, 1999). On the basis of that reasoning, the response rate for this study was excellent.

4.2 Demographic Information

The individual background info of the demographics is put to scrutiny in this section. The objective of the analysis is to enhance understanding of the background information of the respondents and their personal ability to provide relevant data sought for under this study.

4.2.1 Gender

This research attempted to capture each respondent's gender classification. This was done with the objective of ensuring fair engagement of respondents in terms of their gender.

Results are show in table 4.1

Table 4.1 gender of the respondent

Gender	Frequency	Percentage Frequency
Male	35	52.24
Female	32	47.76
Total	67	100.00

Research Data (2016)

From the results, the research found out noted that most of the respondents (52.24%) were males, while 47.76% were females. This shows that the respondents of this study were mainly dominated by male gender. This suggests a fair distribution of the respondents on the basis of gender.

4.2.2 Age Distribution

Based on perception, different age groups seem to have varying opinions on a range of issues. Against that backdrop, this research asked the respondents to specify their age bracket. Table 4.2 below shows correspondents' age distribution outcomes.

Table 4.2 Age Distribution

Age Distribution	Frequency	Percentage
18- 28 years	7	10.4
29 -39 years	21	31.3
40-49years	25	37.3

50-59 years	11	16.4
60-69 years	3	4.6
Total	67	100.0

Research Data (2016)

As the study reveals, the majority of the respondents (37.3%) were of the 40-49 years age bracket, 31.3% of the respondents specified they belonged to the age category of 29-39 years, 16.4% were aged between 50-59 years, 10.4% were between 18-28 years whereas 4.6% of the respondents indicated that they were 60-69 years. The finding is that there was a fair age distribution of the respondents.

4.2.3 Years of existence of the company.

This study attempted to find out the number of years each company had existed. A summary of the answers is featured in the Table 4.3 below:

Table 4.3 Years of existence

Years of existence	Frequency	% Frequency
Below 10 Years	16	23.9
Above 10 Years	51	76.1
Total	67	100.0

Research Data (2016)

From this study, most of the respondents (76.1%) specified that the majority of the firms had existed for 10 years and above whereas only 23.9% of the companies had existed for less than ten years. This implies that most of the companies had existence for an ample time thus they were well established to provide the information that the study sought.

4.2.4 Educational Level of Respondents

The respondent was asked to indicate their education level. Their responses have been captured in the table 4.4 below:

Table 4.4 Level of Education

Level of Education	Frequency	Percentage
Diploma	9	13.4
Undergraduate Degree	21	31.3
Postgraduate Degree	37	55.3
Total	67	100.0

Research Data (2016)

On respondents' level of education achieved, the research showed that most of the respondents as indicated by 55.3% had attained a postgraduate degree whereas 31.3% of the respondents had attained undergraduate degrees and 13.4 % of the respondents had attained diplomas. The implications for this that respondents had attained a good education, hence their ability to answer the study questions comfortably.

4.2.5 Number of Employees

Table 4.5 shows the number of people employed in each security company in Kenya.

Table 4.5 Number of Employees

Number of Employees	Frequency	Percentage
< 50	6	9.0
50-100	17	25.4
100-150	26	38.8
150-200	11	16.4

Over 200	7	10.4
Total	67	100.0

Research Data (2016)

The study established that majority (38.8%) of the security company have 100 to 150 employees, 25.4% of the security company have 50 to 100 employees and 16.4% of the security company have 150 to 200 employees. 10.4% of the security company have over 200 employees whereas 9.0% have less than 50 employees. This implies that most of the security company are large enough and therefore they are in a position to give the required service to the clients.

4.3 Procurement Procedures Used By Security Firms

The researcher sought to establish whether there are procurement procedures used by security firms in Nairobi, Kenya. The respondents were requested to tick yes or no according to their opinion. Results are indicated in the table 4.6 below:

Table 4.6 Procurement Procedures

Description	Responses (%)	
	Yes	No
Do you have a procurement department in your organization?	65.2	34.8
Are there written procurement procedures in your organization?	71.4	28.6
Is there a systematic process to identify procurement requirements?	69.3	30.7
Are specifications properly detailed and approved?	85.1	14.9
Are all goods procured using purchase orders for all items acquire?	74.3	25.7
Are there established controls for incoming vendor invoices and all	81.2	18.8

related documents?		
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Research Data (2016)

From the findings majority (65.2%) said that their organization had a procurement department. 71.4% indicated that there are written procurement procedures in their organization, 69.3% indicated there is systematic process to identify procurement requirements and 85.1% indicated that specifications are properly detailed and approved. Further the 74.3% of the respondents indicated that all goods are procured using purchase orders for all items acquired and 81.2% said there are established controls for incoming vendor invoices and all related documents. This finding is in line with (Csaba, 2006) who suggested procurement procedures to be group procedures, while on the other hand, the completion of any task is critically dependent on negotiations among parties with stake out interests.

4.4 Adherence of Procurement Procedures in Security Firms

The research attempted to determine the degree of compliance to procurement procedures in security companies in Kenya. The respondents were requested to rate the statement below as strongly agree, Agree, neutral, Disagree and strongly Disagree. The table 4.7 below shows the average mean and standard deviations:

Table 4.7 Adherence of Procurement Procedures

Description	Mean	Std. deviation
Procurement observes record keeping	4.16	0.67
All purchases are accompanied by a PO	4.12	0.53
Price and terms analysis is properly done	4.10	0.56
Proper specifications are written	4.09	0.78
Proper expedition alleviates delays	4.09	0.68
Needs in your organization arise from users	4.03	0.72
Suppliers are properly sourced	3.98	0.69

An Invoice accompanies all goods for approval	3.96	0.51
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Research Data (2016)

Table 4.7 implies that the majority of the respondents established that; Needs within their organization arise from users (M=4.03, SD=0.72); Proper specifications are written (M=4.09, SD=0.78); Suppliers are properly sourced (M=3.98, SD=0.69) and the Price and terms analysis is properly done (M=4.10, SD=0.56). Further the respondents agreed that all purchases are accompanied by a PO (M=4.12, SD=0.53) and proper expedition alleviates delays (M=4.09, SD=0.68). This finding concur to that of Weele (2009) that purchasing performance is as a product of two components, which are: purchasing effectiveness and purchasing efficiency. Further the respondents agreed that an Invoice accompanies all goods for approval (M=3.96, SD=0.51) and procurement observes record keeping (M=4.16, SD=0.67). The findings contradict with Solenko (2014), Procurement procedures starts from need recognition, where the user department raise a purchase requisition. This is followed by specifications writing after which the procurement officer sources supplier options.

4.5 Procurement Procedures and Performance

This research aimed at finding out the degree to which procurement procedures are tied to procurement performance in the security firms. The respondents were asked to rate the statement in table 4.8 as 1-No extent, 2-Little extent, 3-Moderate, 4-Large Extent, 5-Very Large Extend. From the finding majority indicated to a great extent that; Need recognition, controls level of purchases (M=3.98, SD=0.26), Specification writing avoids unnecessary purchases (M=4.12, SD=0.29), proper supplier sourcing improves supplier relationship management (M=4.06, SD=0.20) and price and terms analysis saves on costs and results to improved efficiency (M=4.09, SD=0.46). Further most of respondents

indicated to agree to a great extent that; Timely release of purchase orders increases procurement performance (M=3.96, SD=0.59), purchases expedition reduces unnecessary delays and thus improves performance (M=3.78, SD=0.22), proper invoice approval enhances supplier relationships and thus performance (M=4.21, SD=0.41) and Proper procurement records leads to effectiveness in procurement (M=3.89, SD=0.52). This findings is in line with (Lardenoije, Raaij, & Weele, 2005) that purchasing performance never is the ultimate objective in itself, rather, it is a way to effectively and efficiently control and observe the purchasing function. Table 4.8 below indicates the average mean and standard deviations:

Table 4.8 Procurement Procedures and Performance

Description	Mean	Std. deviation
Proper invoice approval enhances supplier relationships and thus performance	4.21	0.41
Specification writing avoids unnecessary purchases.	4.12	0.29
Price and terms analysis saves on costs and results to improved efficiency	4.09	0.46
Proper supplier sourcing improves supplier relationship management.	4.06	0.20
Need recognition controls level of purchases	3.98	0.26
Timely release of purchase orders increases procurement performance.	3.96	0.59
Proper procurement records leads to effectiveness in procurement	3.89	0.52
Purchases expedition reduces unnecessary delays and thus improves performance	3.78	0.22

Research Data (2016)

4.6 Regression Analysis

A regression analysis was utilized in the working out of the degree of the linkages among the research variables. The study adopted the following regression equation to establish the relationship between variables $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \dots + \beta_8X_8 + \epsilon$; where Y= Procurement performance, β_0 =the constant of regression, $\beta_1, \beta_2, \beta_3, \dots, \beta_8 =$

are the regression coefficients/weights of the following respective independent variables; x1= Need Recognition, x2= Specification Writing, x3= Supplier Sourcing, x4= Price and Terms Analysis, x5=Release of Purchase order, x6=Expedite for Delivery, x7=Invoicing for approval, x8=Record Keeping and ϵ = error term. All the eight independent variables were measured using the responses on each of the variables obtained from the respondents. The table 4.9 below discusses the results:

Table 4.9 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.871 ^a	0.759	0.743	0.008

Research Data (2016)

The eight independent variables that are in the model explain 75.9% of relationship between procurement procedures and procurement performance in security firms as signified by R Squared (Coefficient of determinant). The implication is that other factors this research did not look into account for 24.1%. The results of the study concur with (Henke, 2009) who noted that supplier sourcing is important for better performance of the security firms. Based on the rule of thumb the model is statistically significant, 75.9% > 70%.

Table 4.10 Anova ^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	193.84	8	24.23	12.36	.006 ^a
Residual	113.68	58	1.96		
Total	307.52	66			

Research Data (2016)

In this research, ANOVA was employed to determine the importance of the regression model, of which, the technique has a less than 0.05 probability of producing in incorrect

forecast. As such, this indicates that the confidence level of the regression model is higher than 95%, suggesting a higher dependability of the outcomes. The model is statistically significant in predicting how Procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and Terms Analysis, Release of Purchase Order, expedite for Delivery, Invoicing for Approval and Record Keeping) affect procurement performance in security firms. Using the F-test statistic, the sample F value had a value of 12.36, this implies that the regression model is statistically significant since $12.36 > 4.88$. According to Creswell (2013) this model can be used for estimating purposes.

Table 4.11 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.269	.089		3.02	.012
Need Recognition	.563	.072	.522	7.82	.000
Specification Writing	.236	.093	.219	2.54	.000
Supplier Sourcing	.391	.069	.343	5.67	.001
Price and Terms Analysis	.421	.078	.411	5.40	.002
Release of Purchase order	.326	.088	.316	3.70	.000
Expedite for Delivery	.306	.077	.298	3.97	.009
Invoicing for approval	.232	.073	.230	3.18	.023
Record Keeping	.199	.099	.173	2.01	.004

Research Data (2016)

Dependent Variable: procurement performance.

Here's the determined regression equation:

$$Y = 0.269 + 0.563X_1 + 0.236X_2 + 0.391X_3 + 0.421X_4 + 0.326X_5 + 0.306X_6 + 0.232X_7 + 0.199X_8$$

The aforementioned regression equation has determined that keeping all the Procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and

Terms Analysis, Release of Purchase Order, Expedite for Delivery, Invoicing for Approval and Record Keeping) constant, other factors influencing procurement performance of security firms will be 0.269 ($p = 0.012 < 0.05$). The findings also shows that maintaining all the other independent variables constant, an additional unit in Need Recognition shall cause a 0.563 ($p = 0.000 < 0.05$) increase in the procurement performance of security firms, a unit increase in Specification Writing will lead to a 0.236 ($p = 0.000 < 0.05$) increase in procurement performance of security firms and a unit added to Supplier Sourcing shall cause a 0.391 ($p = 0.001 < 0.05$) increase in procurement performance of security firms.

Conversely, a unit rise in Price and Terms Analysis shall cause a 0.421 ($p = 0.002 < 0.05$) increase in the procurement performance of security firms, a unit increase in Release of Purchase order will lead to a 0.326 ($p = 0.000 < 0.05$) surge in the performance of procurement in security firms and a unit addition to Expedite for Delivery shall cause a 0.306 ($p = 0.009 < 0.05$) increase in procurement performance of security firms. Further the regression model shows that a unit increment in Invoicing for approval shall cause a 0.232 ($p = 0.023 < 0.05$) increase in procurement performance of security firms and a unit increment in Record Keeping shall result in a 0.199 ($p = 0.004 < 0.05$) increase in procurement performance of security firms. This infers that Need Recognition influences the procurement performance of security firms most followed by Price and Terms Analysis, Supplier Sourcing, Release of Purchase order, Expedite for Delivery, Specification Writing, and Invoicing for approval and Record Keeping.

The research also determined a substantial connection between security companies' procurement performance and the independent variables; Need Recognition ($p=0.000<0.05$), Specification Writing ($p=0.000<0.05$), Supplier Sourcing ($p=$

0.001<0.05) and Price and Terms Analysis (p=0.002<0.05). Release of Purchase order (p=0.000<0.05), Expedite for Delivery (p=0.009<0.05), Invoicing for approval (p=0.023<0.05) and Record Keeping (p=0.004<0.05). The regression coefficients were tested for significance at $\alpha = 0.05$. Significance occurs at p-values less than 0.05. From the above results, all the predictors are good predictors for the procurement performance in security firms. These findings were consistent with that of (Henke, 2009) who noted that from the operational dimension, procurement performance relates to the costs of purchasing, product and/ or service quality, delivery and flexibility in procurement.

4.7 Correlation

Regarding the correlation of the research variable, this study carried out a Pearson moment correlation. As shown the table 4.12 below, the research revealed that there was a solid good correlation coefficient between procurement performance and procurement procedures as indicated in the correlation factor of 0.763; the sturdy connection was determined to be statistically substantial as the substantial figure was .012 that is less than 0.05. These findings concur with Weele (2009) who found that procurement procedures has an effect on procurement performance.

Table 4.12 Correlations

		Procurement performance	Procurement procedures
Procurement performance	Correlation Coefficient	1.00	.763
	Sig. (1-tailed)	.	.012
	N	67	67
Procurement procedures	Correlation Coefficient	.763	1.00
	Sig. (1-tailed)	.012	.
	N	67	67

Research Data (2016)

4.8 Discussion of the Findings

On the correlation result the study established a strong significant positive correlation coefficient between procurement performance and procurement procedures (Corr = 0.763). The prediction by regression model indicated that; a unit increase in procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and Terms Analysis, Release of Purchase Order, Expedite for Delivery, Invoicing for Approval and Record Keeping) leads to increase in the procurement performance of security firms. These findings is consistent with that Klemencic (2006) who stated that the first step to achieving ultimate goal in supply chain is by evaluating current processes in procurement to boost performance.

Further the study established that most of the security firms have procurement department (65.2%) and have written procurement procedures. Study also revealed that there are systematic process to identify procurement requirements and specifications are properly detailed and approved (85.1%). The study also established that all goods are procured using purchase orders for all items acquire and there are established controls for incoming vendor invoices and all related documents (81.2%). This finding is in line with (Csaba, 2006) who noted there is a need to have particular requirements for different products. If that is so in an industry, there is the necessity to be certain of updated requirements and order in line with these.

The study further revealed that needs in security firms arises from users ($M=4.03$, $SD=0.72$) and suppliers are properly sourced. The study also established that Procurement in security firms observes record keeping, Proper expedition alleviates delays, all purchases are accompanied by a PO and price and terms analysis is properly

done. This finding concurs with that of Weele (2009) that purchasing performance results from two components that are: purchasing effectiveness and purchasing efficiency.

Further the study established that procurement procedures link with procurement performance in the security firms to a great extent. The study revealed that need recognition controls level of purchases and specification writing avoids unnecessary purchases. Proper supplier sourcing improves supplier relationship management whereas price and terms analysis saves on costs and results to improved efficiency. It was also noted that timely release of purchase order, Purchases expedition, Proper invoice approval and Proper invoice approval increases procurement performance. This finding is in line with (Lardenoije, Raaij, & Weele, 2005) that entities that lack which do not have performance mechanisms within their processes, methodologies, and strategies register lower performance rates and higher levels of customer as well as personnel dissatisfaction.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the analysis of the link between procurement procedures and performance of Nairobi, Kenya security providers on the basis of which conclusions and recommendations are made. This chapter constitutes summary of findings, conclusions, suggestions/ recommendations, shortcomings of the research and space for additional research.

5.2 Summary of Findings

This section presents the key findings as considered under each objective in the study. The discoveries based on the respondents' demographic data substantially improved the credibility of the research findings. The research findings show that most of the respondents were coupled with the relevant education level needed to enhance the reliability of the information that they provided.

The study determined that there is a solid appreciable significant positive correlation between procurement procedures and procurement performance of security companies. Further it was noted that a unit increase in procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and Terms Analysis, Release of Purchase Order, Expedite for Delivery, Invoicing for Approval and Record Keeping) leads to increase in the procurement performance of security firms. The study further was established that most of the security firms have procurement department and written procurement procedures. There are systematic process in security firms to identify procurement requirements and specifications are properly detailed and approved. The study also established that all goods are procured using purchase orders for all items

acquire and there are established controls for incoming vendor invoices and all related documents.

Further the study established that needs in security firms arises from users and suppliers are properly sourced. Procurement in security firms observes record keeping, Proper expedition alleviates delays, all purchases are accompanied by a PO and price and terms analysis is properly done. It was also noted that procurement procedures link with procurement performance in the security firms to a great extent. Need recognition, controls level of purchases and specification writing avoids unnecessary purchases. Proper supplier sourcing improves supplier relationship management whereas price and terms analysis saves on costs and results to improved efficiency. Finally, the study established that timely release of purchase order, Purchases expedition and Proper invoice approval increases procurement performance.

5.3 Conclusion

This study has provided a comprehensive review of the connection between procurement procedures and performance of security firms in Nairobi, Kenya. From the findings of the research, the study arrives at the conclusion that that there is a solid substantial significant positive correlation between procurement procedures and procurement performance of security providers. A unit increase in procurement procedures (Need Recognition, Specification Writing, Supplier Sourcing, Price and Terms Analysis, Release of Purchase Order, Expedite for Delivery, Invoicing for Approval and Record Keeping) leads to a rise in the procurement performance of security companies. The majority of the security firms in Kenya have procurement department and written procurement procedures. In security firms all goods are procured using purchase orders

for all items acquire and there are established controls for incoming vendor invoices and all related documents. There are also systematic process in security firms to identify procurement requirements and specifications are properly detailed and approved.

Further the study concludes that needs in security firms arises from users, and suppliers are properly sourced, Procurement in security firms observes record keeping, Proper expedition alleviates delays, all purchases are accompanied by a PO and price and terms analysis is properly done. Need recognition, controls level of purchases and specification writing avoids unnecessary purchases. Procurement procedures link with procurement performance in the security firms to a great extent. Need recognition, controls level of purchases and specification writing avoids unnecessary purchases. Proper supplier sourcing improves supplier relationship management whereas price and terms analysis saves on costs and results to improved efficiency. Finally the study concludes that timely release of purchase order, Purchases expedition and Proper invoice approval increases procurement performance.

5.4 Recommendations for the Study

Based on the study results, some recommendations can be proposed by the study; The study established that most of security firms had procurement department, but few firms were found not to have procurement department. Therefore this study recommends that management should ensure that each security firm has a functioning procurement department. To improve the performance of security firms this study recommends; a well systematic process to identify procurement requirements and written procurement procedures should be established in every firm. The management should focus on timely

release of purchase orders and procurement records in order to increase procurement performance.

5.5 Suggestions for Further Research

This study focused only on the relationship between procurement procedures and performance of security firms in Nairobi, Kenya. As such, additional research should be carried out to establish the challenges facing security firms in Kenya. Research like this should also be conducted in other companies across the country, including more independent variables.

5.6 Limitations of the Study

One of the major limitations was confidentiality of the security firm information. There was unwillingness of informants from some security firms to give information and fill questionnaires. Some respondents feared that the information obtained would be used against them; this scared away respondents from filling them, thus the researcher had to assure them that the information supplied was to be kept private to reduce the fear. Inadequate time and finances also posed challenges in this study. There was not enough time as well as funding to exhaust all the relationship between procurement procedures and performance of security firms.

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APPENDIX I: QUESTIONNAIRE

The questionnaire is meant for collecting information on procurement procedures and procurement performance in security firms in Nairobi, Kenya. Respondents will be expected to answer questions by writing a brief statement or ticking in the boxes provided. The information provided will be treated with confidentiality and at no instance will respondent names be mentioned in this research. This questionnaire is intended for academic purposes only.

A: GENERAL INFORMATION

1. Gender Male Female
2. Age Bracket 18- 28 years 30 29 -39 years 40-49years
 50-59 years 60-69 years
3. What is the name of your firm? _____
4. How many years has your company been in existence?
Below 10 Years
Above 10 Years
5. Education Level
Diploma
Undergraduate Degree
Postgraduate Degree
6. Approximate Number of employees _____

B: WHETHER THERE ARE PROCUREMENT PROCEDURES USED BY SECURITY FIRMS IN NAIROBI, KENYA.

Description	Response:	
	Yes or No (Please Tick)	
	Yes	No.
Do you have a procurement department in your organization?		
Are there written procurement procedures in your organization?		
Is there a systematic process to identify procurement		

requirements?		
Are specifications properly detailed and approved?		
Are all goods procured using purchase orders for all items acquired?		
Are there established controls for incoming vendor invoices and all related documents?		

C: EXTENT OF ADHERENCE OF PROCUREMENT PROCEDURES IN SECURITY FIRMS IN KENYA

On a scale provided below, tick to indicate the extent to which you agree with the following statements as pertaining to Procurement Procedures in your organization.

Description	Response: 1- Strongly Disagree, 2- Disagree, 3-Neutral, 4- Agree, 5 Strongly agree				
	1	2	3	4	5
Needs in your organization arise from users					
Proper specifications are written					
Suppliers are properly sourced					
Price and terms analysis is properly done					
All purchases are accompanied by a PO					
Proper expedition alleviates delays					
An Invoice accompanies all goods for approval					
Procurement observes record keeping					

D: RELATIONSHIP BETWEEN PROCUREMENT PROCEDURES AND PERFORMANCE IN SECURITY FIRMS IN KENYA

Indicate the extent to which procurement procedures link with procurement performance in your organization

Description	Response: 1-No extent, 2-Little extend, 3-Moderate, 4-Large Extent, 5-Very Large Extend				
	1	2	3	4	5
Need recognition controls level of purchases					
Specification writing avoids unnecessary purchases.					
Proper supplier sourcing improves supplier relationship management.					
Price and terms analysis saves on costs and results to improved efficiency					
Timely release of purchase orders increases procurement performance.					
Purchases expedition reduces unnecessary delays and thus improves performance					
Proper invoice approval enhances supplier relationships and thus performance					
Proper procurement records leads to effectiveness in procurement					

Thanks so much!

APPENDIX II- LIST OF SECURITY COMPANIES IN NAIROBI

SECURITY COMPANIES IN NAIROBI			
S/No.	Company Name	S/No.	Company Name
1	KK Security Group of Companies	45	Aluta Security Guards
2	Knight Frank	46	Anchor Security Services Ltd.
3	G4s Security Services (K) Ltd.	47	Apex Security Services Ltd
4	Ridgeback Limited	48	Armored Security Alarms EA Ltd.
5	Greystone Limited	49	Babs Security Services Ltd
6	Absolute Security Limited	50	Basein Security Services Ltd
7	Saveyy Security Limited	51	Bed Rock Holdings Ltd
8	Track N Trace (K) Ltd.	52	Boeramain Security Ltd.
9	Haphil Africa Securities	53	Bonarys security Services
10	Pinkerton Services	54	Cavalier Security Lt
11	Cobra Security Company Limited	55	Citadelle Security Ltd.
12	Security World	56	Integrated Solutions
13	Total Security Surveillance	57	Cossymobile security Ltd
14	Delight Security Services	58	Delta Guards Ltd
15	Bob Morgan Services Limited	59	Desert Security Services Ltd
16	Ultimate Security Limited	60	Efex Security Services
17	Fidelity Security Limited	61	Key Point Security Services
18	Patriotic Guards Kenya	62	Gillys Security Ltd.
19	Wells Fargo Limited	63	Glosec Services Ltd.
20	Raven Kenya	64	Gratom Babz Services Ltd
21	Securex Agencies Kenya Limited	65	Groundforce Security Ltd
22	Radar Limited	66	Hatari Security Services Ltd
23	SGA Security	67	Homestead Security Ltd

24	Eveready Security Guards Limited	68	Intercity Security Services (K) Ltd.
25	Dew Security Services Limited	69	Jeff Hamilton Services
26	Spur Security Services Limited	70	Kleen Homes Security Ltd
27	Delmas Security Services	71	Kong Security Ltd
28	Cossy Mobile Security Limited	72	Lavington Security Guards Ltd
29	Bobby Guards Limited	73	Marco Security Ltd
30	Iris Security Solutions	74	Mulikawote Security ltd.
31	Senaca E.A Security Ltd.	75	Newnham Security Ltd.
32	Solvit Security Solutions	76	Olosho Security Services
33	Soter Security Services	77	Patriotic Group Ltd.
34	Spur security Services Ltd	78	Perimeter Protection Ltd
35	Straight Security Ltd	79	Protective Custody Ltd
36	Tandu Alarms Systems	80	Robinson Security Guards Ltd
37	Vickers security Services Ltd	81	Samo Security Services
38	Winstar Security Guards Ltd.	82	Searite Security Services
39	Secure Digital Limited	83	Success Security Services Limited
40	Akkad Systems	84	Collindale Security
41	Instarect Limited	85	Magnum Allied Systems Ltd.
42	Pinkerton's	86	Riley Services Limited
43	Brinks Security Services	87	Nine One Group Limited
44	Infama Limited	88	Saladin Kenya Ltd

Source: www.ksia.com (2016)