

**DETERMINANTS OF PROCUREMENT PERFORMANCE IN JUDICIARY  
DEPARTMENT AT THE NAKURU LAW COURTS, KENYA**

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## DECLARATION

I declare that this research project is my original work and has not been presented to any other institution of learning for an academic award.

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## **DEDICATION**

This research project is dedicated to my husband and loving daughters Yvette and Vyllette for their understanding and support during the time I was working on this project.

## **ACKNOWLEDGEMENT**

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## **ABBREVIATIONS AND ACRONYMS**

<b>CBK</b>	Central Bank of Kenya
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information Communication Technology
<b>IFMIS</b>	Integrated Financial Management Information System
<b>KISM</b>	Kenya Institute of Supplies Management
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PPDA</b>	Public Procurement and Disposals Act
<b>PPOA</b>	Public Procurement Oversight Authority
<b>SACCOs</b>	Savings and Credit Cooperatives
<b>GOK</b>	Government of Kenya
<b>SPMA</b>	Suppliers and Practitioners Management Act
<b>SPSS</b>	Statistical Package for Social Sciences
<b>USD</b>	United States Dollar

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## **DEFINITION OF TERMS**

**Competency:** Relates to the levels of education and qualifications of the workforce as well as the professional approach to the conduct of business (Raymond, 2008).

**Contract Management:** Is the administration of contracts between a company and its vendors, Service Level Agreements: (SLA) and Key Performance Indicators (KPI) are set to manage the day-to-day performance of the vendor (Schiele, 2007).

**Information Communication Technology:** is technology that supports activities involving information such as activities include gathering, processing, storing and presenting data (Chene, 2009).

**Procurement Performance:** Procurement performance entails how well organizational procurement objectives have been attained (Schiele, 2007).

**Procurement plan:** A procurement plan describes and documents all of the purchases from outside suppliers that will be needed to support the needs of a particular department (Kiage, 2013).

**Public Procurement:** It concerns how public sector organizations spend taxpayers' money on goods and services (Hall, 2009)

**Staff Competency:** Is a standardized requirement for an individual to properly perform a specific job (David, 2007).

## ABSTRACT

In many countries across the world, 60% of quality systems in public procurement have not adequately delivered the expected benefits. This study assessed the determinants of procurement performance in the Judiciary Department at the Nakuru Law Courts. The objectives of the study were to determine the relationship between procurement planning, ICT, staff competency, contractual management and procurement performance. The study adopted Agency theory, Transaction cost theory and Resource Based View theory. The study used a descriptive research design with a quantitative approach. The target population of the study was 160 employees from Nakuru Law courts comprising of senior managers, head of departments, procurement officers and suppliers. A stratified random sampling technique was used to draw a sample size of 62 participants. A structured questionnaire was used to collect data from the sampled participants. Data was coded and analyzed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS version 23). From the findings, there is adequate budgeting for procurement planning at Judiciary department (mean=3.600), poor procurement planning is a major setback in cost estimation for services and works (mean=4.033), lack of professionalism is a major cause of non-compliance to procurement laws (mean=3.733), proper management of contracts positively affects procurement performance (mean=3.967) and use of ICT in procurement enhances quality information and communication flow (4.033). There was a strong correlation between procurement planning ( $r=.761$ ), staff competency ( $r=.725$ ), contractual management ( $r=.732$ ), ICT ( $r=.699$ ) and procurement performance. As a result, the study concluded that proper procurement planning determines the success of service delivery, employees were regularly trained on procurement procedures, proper management of contracts enhances procurement performance and not all suppliers are able to access tender information and apply online. Further, the study recommended that adequate resources should be provided for procurement planning in the Judiciary department at Nakuru Law Courts, professionalism should be enhanced to ensure compliance to procurement laws, the judiciary procurement department should focus on contract terms and timelines to minimize delays in service delivery by suppliers and procurement staff should be regularly trained on ICT to facilitate procurement performance.

# **CHAPTER ONE**

## **INTRODUCTION**

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

According to Schiele (2007), procurement performance entails how well organizational procurement objectives have been attained. The extent to which procurement function is able to obtain best value for spent organizational money to purchase products and services is the best indicator of procurement performance. According to Corsten (2009), procurement commonly involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores, and disposal and other related functions.

Furthermore, Hall (2009) posited that public procurement is concerned with how public sector organizations spend taxpayers' money on goods and services. Public procurement is guided by principles of transparency, accountability, and achieving value for money for citizens and taxpayers. Across the world and in many developed nations, public sector expenditure is a substantial share of their GDP.

According to OECD (2006), governments across the world tend to spend between 8% and 25% of GDP on goods and services. In the UK, public procurement expenditure is approximately £150 billion (DEFRA, 2007). Furthermore, Charles (2007) pointed out that government is often the single biggest customer within a country and governments can potentially use this purchasing power to influence the behavior of private sector organizations.

Correspondingly, the World Bank (2016) report shows that about 50% of developing countries government budget is spent on procuring goods and services; while high income countries spend an estimated 29% of total general government expenditure on public procurement. In the European Union for example, public authorities spend approximately 14% of GDP on the purchase of goods, works and services. Globally, public procurement accounts for approximately one-fifth of global GDP (European Commission, 2016).

Globally, 60% of quality systems in public procurement have not delivered the expected benefits (Soudry, 2007). Heeks (2010) reported that 35% of procurement system in public sector in developing countries are total failures, 50% are partial failures, while the remaining 15% are successes. Chang (2011) reported that in 2010, 40% of Korea's total public procurement (124 billion USD) was conducted through manual procurement system.

According to Van Weele (2006) purchasing performance is considered to be the result of two elements: purchasing effectiveness and purchasing efficiency. Performance provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. David (2007) argues that competency is a standardized requirement for an individual to properly perform a specific job. Shalle et al., (2014) deduced that procurement performance can be assessed by focusing on delivery, flexibility, quality, cost and technology.

In developing countries like Kenya, public procurement is increasingly being appreciated as essential in service delivery (Hunja, 2011) and it accounts for a high proportion of total spend of taxpayers' money. Orina (2013) in her study on E-procurement readiness factors in Kenya's Public sector found that resistance to change, lack of enthusiasm, staff skills, and to some extent procurement policies led to a failure of e-procurement adoption in public institutions to yield only 47% adoption rate.

Competency also encompasses a combination of knowledge, skills and behavior used to improve performance. More generally, competency is the state or quality of being adequately or well-qualified, having the ability to perform a specific role. In Australia, Procurement management provides a basis for effective control and stewardship of resources and demonstrates the value of the procurement function. This was not available in 2005 (Thai, 2011). Citing a report on the review of Purchasing and Logistics in the Queensland Government, (Smee, 2012) reports that 44% of state organizations in Australia reported that they had no performance measures in place for assessing procurement efficiency and effectiveness. Of those

that did have measures, many are qualitative statements rather than specific targets to achieve.

A study by Talluri (2008) found that many government organizations in United India and Malaysia lack effective procurement policies for supporting effective implementation of procurement performance. Sobczak (2008) noted that many Japanese firms that employ just in time inventory management technique have succeeded in embracing efficient procurement performance. Further, According to Arrowsmith (2010), public procurement in developing countries is said to account for up to 25% of their GDP.

In the Middle East and Africa in general, central government purchases range from 9% to 13% (Gul, 2010). Agaba and Shipman (2008) examined spending levels in Sub-Sahara Africa and found that they ranged between US\$ 30 and 43 billion towards the procurement market. A study by Emmanuel (2007) showed that in Africa, training of procurement personnel could greatly support effective implementation of procurement performance in many public training institutions.

A study by Simpson and Power (2007) found that in many African government institutions, many procurement managers are not trained on implementation of effective procurement performance and this contributes to wastage of procurement funds since most African training institutions have not embraced effective procurement performance in public procurement training institutions. Furthermore, Deva raj, Vaidya Nathan and Mishra (2012) concluded that the presence of poor contract management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

The presence of a high frequency of procurement plans formulation and evaluation contributes to organizational procurement performance. Contracts are frequently complex, they may involve multiple actors, last a long time and may consume many resources. It is therefore vital that they are properly managed (SIGMA, 2011). According to Gichio (2014), weaknesses in public procurement, including vulnerability to corruption, are a global problem with approximately 400 billion USD

(Ksh 34.9 trillion) reported as being lost to bribery and corruption in procurement globally.

Proper regulations for public procurement are therefore important in ensuring that the process is competitive, transparent and fair. According to the Stenning and Associates Report (2003), as a significant proportion of the benefits to be gained from implementing e-Procurement initiatives are related to the changes made through process re-engineering. In addition, Birks et al. (2001) suggest that the process of reengineering should not only address process but also supplier relationships and all the internal groups affected by procurement (Soeters et al., 2014).

The overriding objective of a state's public procurement system is to deliver efficiency and "value for money" in the use of public funds, whilst adhering to national laws and policies. According to Rasheed (2004), performance measurement is about seeking to answer the fundamental question of whether the procurement system and operations ultimately deliver in accordance with the main objectives set. This indicates that public procurement plays a vital role in a country (Odhiambo&Kamau, 2003). A study by Arthur (2009) notes that many procurement managers in State Corporation in Kenya lack competitive knowledge and skills on how to effectively embrace effective procurement performance and this hampers minimization of procurement expenditure.

George (2010) contends that the level of compliance with procurement regulations greatly influences the efficiency of the procurement procedures in public sector organizations. A study by Moses (2009) found that application of poor sourcing strategies is a key impediment to implementation of effective procurement performance in many government institutions in Kenya. Use of ICT in procurement is also very critical in determining the performance of procurement in state corporations.

E-Procurement should be viewed as an enabling mechanism to make the process of procurement more efficient in terms of cost, time, and achievement of value for money. Where existing procurement performance and procedures may contradict the goals and objectives of the new initiative, the implementation of e-Procurement requires the re-engineering of existing purchasing processes (KPMG, 2001). The roles and responsibilities might change substantially with the new process, which requires



staff to adapt accordingly (Birks et al., 2001). Wanyonyi and Muturi (2015) in their study found that the main areas that were observed to be the key contributors to staff competence included the training of new employees in the procurement departments, enhancing team work of procurement staff, acquaintance of the procurement Act by the procurement team and employing qualified and competent personnel in the procurement departments among others.

Studies with respect to public procurement implications on performance include Chalton (2014) conducted a study on the challenges of implementing procurement policies in state corporations in Kenya, Nyaboke et al. (2013), conducted a study on the effects of public procurement policies on organizational performance which was focus on the water sector, while Obiero (2010) did a study on the challenges in the implementation of the Public Procurement and Disposal Act 2005 in the Ministry of Higher Education, Science and Technology in Kenya. All these studies have not tackled determinants of effective procurement performance in the Judiciary as a public institution.

### **1.1.1 Public Procurement in Kenya**

According to PPDA (2005), Public Procurement Act requires Procuring Entities to plan their procurements. A procurement plan helps Procurement Entities to achieve maximum value for expenditures and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they can publicize their procurement notices to potential suppliers of goods, works and services. A procurement plan is influenced by a number of factors.

These include; the value of the procurement, the type of procurement, for instance whether the procurement is sensitive, unique, high risk, or of strategic significance to the procuring Entity's success, and the nature of procurement – for example, whether it involves intrinsic risks and ethical and process issues. Before any procurement transaction is conducted, Procuring Entities must determine their procurement needs which must be consistent with their organization's objectives. In this regard, the Procuring Entity should assess whether or not, a particular procurement is necessary.

The assessment should take account of; the need to ensure that the Procuring Entity uses its resources effectively and efficiently; how the proposed expenditure would contribute to the Entity's desired outputs; and the Procuring Entity's overall procurement philosophy in accordance with the provisions of the Public Procurement and Disposal Act (PPDA, 2015). Public procurement can either be for projects or for consumables.

In project specific procurement, goods, works or services are sought for a particular initiative (e.g. a new road, a hospital, plant and equipment), whereas general consumable procurement relates to items that are required for a ministry or authority to perform its duties (George, 2008). Public entities are those that procure goods, services or works utilizing public funds. As such, public entities include the central and local governments, courts, commissions, state corporations, cooperatives, and educational institutions such as colleges, schools and universities (Duncan, 2009).

The PPDA was established in order to; maximize economy and efficiency, promote competition and ensure that competitors are treated fairly, promote the integrity and fairness of procurement procedures, increase transparency and accountability in those procedures, increase public confidence in those procedures, facilitate the promotion of local industry and economic development (Mathew, 2009). The role of procurement is to enhance as well as to promote both efficiency and transparency in the sourcing of firm needed goods and services (Mburu, 2011).

Modern day organizations therefore strive to attain more efficiency, cost effectiveness and accountability by undertaking to adopt vigorous and well-articulated procurement regimes (Shalle & Njagi, 2016). According to Achua (2011), employees on job competence have an effect on organizational procurement processes. Higher employee skills and capabilities leads to more diligent handling of assigned procurement tasks as they are able to exercise due care and skill. In addition, inherent skills have an influence on moral code of conduct that has an effect on the manner in which procurement tasks are to be carried out.

Emerging information and communication technology (ICT) can play an important role in public finance management by promoting greater comprehensiveness and transparency of information across government institutions. As a result, the

introduction of Integrated Financial Management Systems (IFMIS) has been promoted as a core component of public financial reforms in many developing countries such as Kenya (IFMIS Department, 2015). However, most of the procurement processes in Kenya public sector are still manual with the internet only being used for e-mails and web browsing.

The factors for slow adoption include limited legislation, poor infrastructure, lack of awareness and top management support, integration with internal systems or solutions, lack of technical standards, lack of cooperation on the part of suppliers, and costs associated with adapting web-enabled purchasing system (Malela, 2010).

## **1.2 Statement of the Problem**

Public procurement accounts for a high proportion of the total government expenditure across the world. About 50% of developing countries' budget is spent on procuring goods and services. Globally, 60% of quality systems in public procurement have not adequately delivered the expected benefits. This a great challenge for government agencies given that 35% of procurement systems in developing countries are total failures, 50% are partial failures, while the remaining 15% are successes. Moreover, public procurement in developing countries accounts for up to 25% of their GDPs. In Kenya, government procurement has rapidly increased as well as the associated challenges on efficiency and transparency. For instance ICT adoption faces obstacles from inadequate procurement policy implementation. Further, despite significant increases in resources allocation, public service delivery is still falling. Further, procurement planning continues to have a substantial impact on procurement performance. Also, one of the major setbacks in public procurement is insufficient procurement planning and management of the procurement process. Additionally, employee competencies have an effect on procurement performance. Many procurement managers in State Corporations lack competitive knowledge and skills on effective procurement performance. Correspondingly, there is inadequate training, acquaintance to the procurement Act and employment of unqualified procurement personnel. The introduction of IFMIS has been used to aid corrupt procurement scandals like the NYS instead of simplifying procurement processes for transparency and accountability. Weaknesses in public procurement and vulnerability to corruption have affected proper contract

management leading to payment delays to suppliers. The judiciary department as a procuring has reported challenges associated with inadequate procurement planning and insufficient resource allocation, employment of unqualified procurement personnel, partially implementation of online procurement processes. The judiciary solicits a list of suppliers from the treasury as well as payment processing for its suppliers resulting to delays in supplies. Moreover, there is limited empirical literature on effective procurement performance especially in the Kenya Judiciary. This study therefore aimed at filling these gaps in procurement performance.

### **1.3 Objectives of the Study**

The study had both general objective and specific objectives.

#### **1.3.1 General Objective of the Study**

The study assessed the determinants of procurement performance in the Judiciary Department at the Nakuru Law Courts.

#### **1.3.1 Specific objectives**

- i. To establish the influence of procurement planning on procurement performance in the Judiciary Department at the Nakuru Law Courts.
- ii. To assess the influence of staff competency on procurement performance in the Judiciary Department at the Nakuru Law Courts.
- iii. To analyze the influence of contractual management on procurement performance in the Judiciary Department at the Nakuru Law Courts.
- iv. To examine the influence of information communication technology on procurement performance in the Judiciary Department at the Nakuru Law Courts.

### **1.4 Research Hypotheses**

- i. **H<sub>01</sub>**: There is no significant relationship between procurement planning and procurement performance in the Judiciary Department at the Nakuru Law Courts.
- ii. **H<sub>02</sub>**: There is no significant relationship between staff competency and procurement performance in the Judiciary Department at the Nakuru Law Courts.

- iii. **H<sub>03</sub>**: There is no significant relationship between contractual management and procurement performance in the Judiciary Department at the Nakuru Law Courts.
- iv. **H<sub>04</sub>**: There is no significant relationship between information communication technology and performance in the Judiciary Procurement Department at the Nakuru Law Courts.

### **1.5 Significance of the Study**

The findings of this study will be of value to public policy makers, the Judiciary, research institutions and Public Procurement Authority. This study is relevant to the government of Kenya and the state departments or public institutions. Kenya, like other developing economies requires prudent management of public resources in order to spur investments and growth. Public procurement is an important function that allocates resources in the economy. Its efficiency is therefore critical hence the need to understand the effect of procurement performance in public institutions. The findings of this study will be of value to law courts. The findings of this study will also be useful to procurement practitioners and procurement staff in both public and private institutions. The findings will also greatly contribute to the body of knowledge in procurement and also propose areas for further research. Researchers will also find this paper useful for references. The findings of this study will also create and stimulate capacity building in public sector procurement departments to hence enhancing service delivery to the citizenry.

### **1.6 Scope of the Study**

This study assessed the determinants of procurement performance in the Judiciary Department at the Nakuru Law Courts. Further, the study specifically assessed the influence of procurement planning, staff competency, ICT and contractual management on procurement performance. Moreover, the participants of the study were senior managers, head of departments, procurement officers and suppliers. The study was conducted from August to October 2017 with a budget of Kshs.135000.

## **1.7 Limitations of the Study**

This study only covered four objectives: procurement planning, staff competency, contractual management, information communication technology and their influence on procurement performance in the judiciary department at Nakuru Law Courts. Further some of the participants did not complete filling the questionnaires. These limitations were mitigated through constant follow up of the participants to remind them. Some respondents were reluctant to give specific information due to organizational confidentiality policy.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviewed the literature relevant to the current study with a critical focus on the assessment of determinants of procurement performance in the Judiciary Department at the Nakuru Law Courts.

#### **2.2 Theoretical Review**

A theory is a supposition or system of ideas intended to explain something. Theories attempt to explain facts that bring out rational explanation of cause and effect relationship among group of observable phenomenon (Mugenda & Mugenda, 2003). This study adopted Agency theory, Transaction cost theory and Resource based view theory.

##### **2.2.1 Agency Theory**

Agency theory was proposed by Ross and Mitnick in 1973. They introduced agency theory while studying the problems of compensation contracting. Agency theory is concerned with agency relationships. The two parties have an agency relationship when they cooperate and engage in an association wherein one party (the principal) delegates decisions and/or work to another (an agent) to act on its behalf (Eisenhardt 2009; Rungtusanatham, Rabinovich, Ashenbaum & Wallin, 2007). The important assumptions underlying agency theory is that; potential goal conflicts exist between principals and agents.

Each party acts in its own self-interest; information asymmetry frequently exists between principals and agents; agents are more risk averse than the principal; and efficiency is the effectiveness criterion. Two potential problems stemming from these assumptions may arise in agency relationships: an agency problem and a risk sharing problem (Xingxing, 2012). An agency problem appears when agents' goals differ from the principals' and it is difficult or expensive to verify whether agents have appropriately performed the delegated work (i.e. moral hazard).

This problem also arises when it is difficult or expensive to verify that agents have the expertise to perform the delegated work (i.e. adverse selection) that they claim to have. A risk-sharing problem arises when principals and agents have different attitudes towards risk that cause disagreements about actions to be taken (Xingxing, 2012). The assumptions and prescriptions of agency theory fit naturally with the issues inherent in effective benchmarking on procurement performance. In the process of managing procurement performance and quality, buyers in agency relations are faced with potential problems.

By their nature, buyers expect suppliers to provide good quality and to improve the quality of supplied products and/or services, but suppliers may be reluctant to invest substantially in quality, especially if they perceive that buyers are reaping all the benefits. The difference between buyers and suppliers will result in the two parties concerning themselves only with their self-interests (Xingxing, 2012). Agency theory determines how procurement managers execute procurement performance on behalf of public institutions.

Existence of poor principle agent relationship leads to low level of top management commitment and this also affects the relationship between institutions and the suppliers. The criticism of the theory has shown that there is another explanation as to why people behave the way they do using social power and that the theory is less powerful than the explanation. The Agency theory is more of a description and it does not really explain in much more detail than the definition. As a result, procurement performance is greatly reduced leading to poor service delivery by suppliers and no value for money invested. Existence of conflict of interest amongst the agents leads to execution of procurement performance against the procurement policies and this leads to increased procurement budget and loss of procurement funds. This essentially leads to corruption and conflict of interest. This study will use this theory to assess procurement planning, staff competency and contract management and how they influence procurement performance.

### **2.2.2 Transaction Cost Theory**

The transaction cost theory was set by Coase in 1937. Coase opined that short term contracts unsuitability arises due to the costs associated with collecting information



and those incurred additional costs in negotiating contracts. The return is that long term contracts whereby remuneration is specified for contractee after obeying but within limits that come onto effect. Market prices govern relationships between diverse market firms; however operational decisions are made on a rather different basis from profit maximization subject to market prices. An imperative feature of transaction cost theory is that it places emphasis on two extremes of transaction control in essence, hierarchy verses markets and other hybrid forms as well as long term contracts (Joskow, 1988). Within firms, decisions are in essence made through capitalist coordination (Williamson, 1989). Grover and Malhotra (2003) deduce that transaction cost theory finds application in organizational supply chain management in four faces that is: observe problem effort and advantage. Determination to build as well as to maintain relationship with firm suppliers is key. This helps in resolving problems that may arise in current business associations and suppliers engagement in an opportunistic behavior.

The transaction cost theory concerns itself with direct organizational economic factors hence fails in addressing some vital parts of organizational operations in the supply chain that is human, personal relations and other supply chain players. Nevertheless, there are many unanswered questions of a conceptual, theoretical and empirical nature. Even the term ‘transaction cost’ awaits an adequately precise definition. As Williamson (1995) himself notes: ‘There is nonetheless a grave problem with broad, elastic and plausible concepts - of which “transaction costs” is one and “power” is another – in that they lend themselves to ex post rationalization.

Concepts that explain everything explain nothing.’ In dealing with the empirical evidence it is important to be clear about what is being tested, whether the broad and viable claim that transaction costs are important (Macher& Richman, 2008) or the more specific claims of particular approaches to transaction cost theory. The theory assumes that organizations spend less when they conduct business internally in comparison to externally in the market place. In practice, organizations seek innovative ways that they can use to carry out business internally hence reduce transaction cost which depletes organization resources.

The external doing business is expensive due to communication, coordination and transaction costs (Laundon & Laundon, 2006). In this study, the adoption of ICT in

procurement is presumed to reduce internal transaction costs and improve efficiency and effectiveness of the procurement processes.

### **2.2.3 Resource Based View Theory**

Resource-Based View (RBV) is a key theoretical foundation for understanding how sustainable competitive advantage can be attained in organizations. RBV is an economic theory that suggests that firm performance is a function of the types of resources and capabilities controlled by firms (Barney, 2008). A resource is a relatively observable, tradable asset that contributes to a firm's market position by improving customer value or lowering cost (or both); and a capability denotes the ability of a firm to accomplish tasks that are linked to higher economic performance by increasing value, decreasing cost, or both (Walker, 2009).

Barney (2008) also describes resources as tangible and intangible assets a firm uses to conceive of and implement its strategies; and capabilities as a subset of resources that enable a firm to take advantage of its other resources. According to Priem and Butler (2001), the resource-based view misses managerial implications or operational validity. The resource-based view explains that managers have to develop and obtain strategic resources that meet the criteria valuable, rareness, non-imitable and non-substitution and how an appropriate organization can be developed. However, the resource-based view does not explain how managers can do this (Connor, 2002). According to Priem and Butler (2001) and Collins (1994), the resource-based view entails infinite regress.

Firms which have a capability which they can put in practice best, can be overtaken by a firm that can develop that capability better than firm who is best in practice. According to Eisenhardt and Martin (2010), availability of substitute resources tends to depress returns of the holders of a given resource and this justifies the reason why they should be shielded from competitors. By conducting an effective value chain analysis, an organization is able to identify these scarce resources that give it competitive advantage and apply appropriate mechanisms to protect the resources from competitors. This theory will help further explain the influence of staff competency, procurement planning, contractual management and adoption of ICT and their influences on procurement performance.

## **2.3 Empirical Review**

This section reviewed the relevant literature on the variables under study to establish the research gaps and therefore provide a guideline along which this study was conducted.

### **2.3.1 Influence of Procurement Planning on Procurement Performance**

According to Shiundu and Rotich (2014), evaluation or measurement of procurement performance has always been a vexing problem for procurement professionals. They explain two types of goals in the procurement system: non procurement goals and procurement goals. Procurement goals are primarily associated with quality, reduction of financial and technical risks, and protection over competition and integrity in the system. Non procurement goals usually involve the economic, social, and political goals within the system.

Achieving efficiency in public procurement is an ambitious task, as procurement faces numerous challenges, especially due to the market structure, the legal framework and the political environment that procurers face. Procurement performance should be based on total cost, quality, and enhancement of competitiveness of suppliers using best procurement practice. Kiage (2013) explored the determinants affecting procurement performance with a case of Ministry of Energy. The study posits that public procurement has increasingly become prominent, thus the public entities need to plan on how to handle the entire process. The findings show that procurement planning has a substantial impact on procurement performance. Planning, resource allocation, staff competency and contract management impact on the variations in procurement performance.

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of public institution's operations and improved service delivery. Similarly, Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Likewise, procurement performance is

not usually measured in most public entities as compared with the human resource and finance functions.

Failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. A procurement plan describes and documents all of the purchases from outside suppliers that will be needed to support the needs of a particular department (Kiage, 2013).

Wile (2010) describes it as the process used by companies or institutions to plan purchasing activity for a specific period of time which is usually completed during the budgeting process; each department is required to request a budget for staff, expenses and purchases. According to Edler and Georgia (2007), procurement plans serve as a road map and the goal should be to enable efficient use of available resources. Procuring entities in Kenya are required by the existing legal framework to first consolidate departmental procurement plans before providing the entities corporate procurement plan which then gets the accounting officers approval before being implemented.

According to Kiage (2013), a procurement plan is used to implement the budget; it should be prepared by user departments so as to minimize excess votes in an entities budget and to ensure there are funds to make payments before procurement is done. Resource confirmation and resource allocation helps make procurement effective when carried out appropriately (Kiage, 2013). The ultimate goal of any public procurement is to satisfy the public interest as entrusted in the public procurement Act (Ouma & Kilonzo, 2014). In their study, Ouma and Kilonzi (2014) find that resource planning is significant and contributes to public entity procurement and it is an important aspect in determining how effective the procurement process will be.

Therefore public entities should balance resource allocation and even allocate more funds to procurement departments. According to Arrowsmith (2010), conflicts may sometimes arise between the objective of preventing corruption and ensuring efficiency in the administration of the procurement process. Measures to prevent corruption may add to the cost of procurement, therefore the prevention of corruption is so important.

### **2.3.2 Influence of Staff Competency on Procurement Performance**

According to Banda (2009), many procuring organizations have staffs that do not have the right competence needed for good procurement management Barsemoi et al. (2014) found that most of the personnel carrying out procurement functions in the local authorities in Kenya have not been sensitized on procurement regulations. The Public Procurement law requires that each procuring entity establishes a procurement unit with procurement professionals. The lack of professionalism has been explained as a cause of non-compliance to procurement laws (De Boer & Telgen, 2006).

Professionalism in public procurement relates to the levels of education and qualifications of the workforce as well as the professional approach to the conduct of business (Raymond, 2008). When the procurement workforce is not adequately educated in procurement there are serious consequences such as breaches of codes of conduct. Raymond (2008) links the level of professionalism with corruption, which has been shown to impede compliance to public procurement regulations. Further, De Boer and Telgen (2006) also attribute non-compliance in public procurement to lack of purchasing professionalism in the public sector.

Another cause of non-compliance is the lack of staff training. The PPOA Audit Report (2008 as cited in (Ndumbi & Okello, 2015) shows that inadequate training is high amongst public procurement officers in Kenya, although this may be attributed to the profession still being relatively young in Kenya. In October 2007, the Government of Kenya (GoK) passed the Suppliers Practitioners Management Act (SPMA) 2007 that came into effect in October 2008.

The SPMA 2007 is expected to enhance professionalism and ethical behavior by requiring procurement staff to undergo a qualifying exam and be registered with the Kenya Institute of Supplies Management (KISM) as the professional association. Boyan (2003) argues that there are clear benefits in ensuring procurement staff are professionals, this is because their competence can ensure that the benefits of new products and services are brought to the attention of the right person in an organization. According to Sultana (2012), technological developments and organizational change have led employers to the realization that their success relies on the skills and abilities of their employees, which means that they have to continuously

invest in training and development. Employees begin to realize that learning and continuous training is as big as job itself (Christianne, 2008).

Training one another, or “train the trainer”, is another important aspect of continuous learning. It allows employees to develop new applications and techniques and share them with their peers or supervisors. Moreover, Smith (2009) contends that lack of professional training on procurement functions and lack of continuous training on implementation of best procurement performance hinders the procurement staff in public sector organizations to effectively execute procurement procedures. According to Hall (2009), efficiency and the effectiveness of procurement procedures are hindered by absence of effective continuous employees training programmes that help in equipping the employees with competitive procurement management skills. Armstrong (2008) affirms that a continuous employee training contributes towards improvement of the level of their competency in the execution of respective job task functions.

Ebrahim (2010) contends that from management viewpoint, training is associated with higher organizational productivity, it can improve the adaptability and flexibility of their employees and their responsiveness to innovation, it can be regarded as a means of engaging the commitment of employees to the organization and training programmes specific to the organization are of paramount importance not least because they bind the employee and cannot be used by rival organizations.

### **2.3.3 Influence of Contractual Management on Procurement Performance**

Deva raj, Vaidya Nathan and Mishra (2012) concluded in their study that the presence of poor contract management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules. The presence of a high frequency of procurement plans formulation and evaluation contributes to organizational procurement performance. According to SIGMA (2011), contracts are frequently complex, they may involve multiple actors, last a long time and may consume many resources. It is therefore vital that they are properly managed. According to Kiage (2013), resource allocation, procurement planning, contract management and staff competency positively affect procurement performance.

Planning ensures that available resources are utilized in order to achieve overall procurement objectives. The presence of procurement planning ensures that sound purchasing plans are adopted so as to enhance both efficiency and effectiveness in achieving projected purchasing outcomes. In so doing, it addresses deficiencies in current practice relating to procurement, contract management, inventory and asset control and obsolescence planning (Nyaboke et al., 2013).

According to Onyango (2012), procurement; a function that was traditionally viewed as a clerical and reactive task has since positioned itself among core organizational functions, and its management is becoming increasingly critical for the well-functioning of any organization. In addition, Kibogo (2014) reported that the Kenya government had been losing hundreds of millions of taxpayer's money through cancelled contracts, unfinished projects, poor service or product delivery, corruption and extended contract periods in the previous eight years without major improvement. The study further stated that of the 10% – 30% of GDP spent by the government of Kenya on procurement alone, 5% is wasted due to lack of proper management of the contracts.

As a result, the World Bank and the International Monetary Fund (IMF) had to intervene by putting in place stringent conditions for lending funds to the government which slowed down economic development by 2.1%. The PPDA second integrity survey (2011) reported that up to 69.8% of service providers surveyed agreed that corruption influenced procurement and that acknowledgement of the presence of corruption was assented to by up to 81.1% of the service providers. Integrity Baseline Survey (2006) found a percentage gratification of public officials of between 7 to 9%; the 2011 survey indicated that the majority of the service provider respondents had offered a bribe of between 10 to 20% of the contract value (33.3%) with a further 6.3% saying they paid over 20% for the contract awarded. Key informants also confirmed instances of procurement officers in key government agencies as allocating works to their relatives or cronies.

### **2.3.4 Influence of Information Communication Technology on Procurement Performance**

The provision of adequate professional support by management through training and educational has a positive impact on procurement performance (Nzau&Njeru, 2014). Wanyonyi and Muturi (2015) concluded that staff competency, information technology and ethics positively affect procurement function performance. Organizations should therefore strive to adopt modern technologies, promote employees competence and enhance the implementation of good organizational moral code of conduct so as to attain improvements in their procurement departments.

Moreover, Deva raj and Vaidya Nathan (2008) sought to investigate the quality in e-procurement performance. The study mentions that e-Procurement undertakes to cut operational costs across the supply chain. However, buyer's expectations are raised posing a challenge for supply chain performance and buyer gratification. The findings of the study indicate a strong backing for the relationships among e-procurement satisfaction performance, information flow process quality and logistics fulfillment quality processes.

The success of adopted systems is however dependent on various factors such as; clear commitment by relevant parties and organizations, readiness to adopt ICT and presence of adequate resources including human capacity (Chene, 2009). According to Dobler (2002), an efficient procurement process in the public sector organizations results in improved performance.

At the public sector level, technology enhances infinite and non-restricted access to government information and increases market transparency and economic incorporation based on complementarities (Carayannis&Popescu, 2005).As well, Wanyonyi and Muturi (2015) explored the determinants impacting performance of procurement function in reference to public technical training institutions in Kisumu County, Kenya. The study concludes that ICT, staff competency and ethics have a direct impact on performance of the procurement function among technical training institutions. Thus recommends the use of ICT in technical institutions in an effort to improve the performance of procurement functions.



According to Mumo et al (2013), ten years after the e-government directorate was set to manage ICT in the government, most ordinary Kenya citizens are still using the manual system to access government services making it difficult for the private sector to engage profitably with the government. This particular platform has made the government entities prone to exploitation resulting to poor service delivery and dismal performance in procurement system. Government officials and elected leaders have constantly insisted that public entities should automate their procurement processes and must utilize ICT in order to enhance the procurement processes in the public sector.

The key elements in implementing an organization's wide strategic quality planning are seen as identifying customers and their needs, establishing optimal quality goals, creating measurements of quality, planning processes capable of meeting quality goals under operating conditions and producing continuing results in improved market share, premium prices and a reduction of error rates in the office (Patrick, 2010).

These public entities are faced with tight budgets and a retiring workforce, today's government agencies are operating in an environment defined by the need to 'do more with less'. Public authorities are expected to provide excellent service to their constituents in an effective and transparent manner, all the while working under constant resource constraints by adopting ICT (Hagén & Zeed, 2005). Integration of procurement functions with the organizational aspects in the public sector is costly due to organizational reorganization and such costs can be optimized with the integration of effective quality control system for effective reporting.

According to Kalakota and Robinson (2001), before the implementation of e-procurement, a company must first clearly define the business problems its e-procurement solution is intended to address. Furthermore, before an e-procurement solution can be deployed, a company must undergo thorough procurement process re-engineering. Automating an existing procurement process will only make matters worse (Kalakota & Robinson (2001).

### **2.3.5 Procurement Performance**

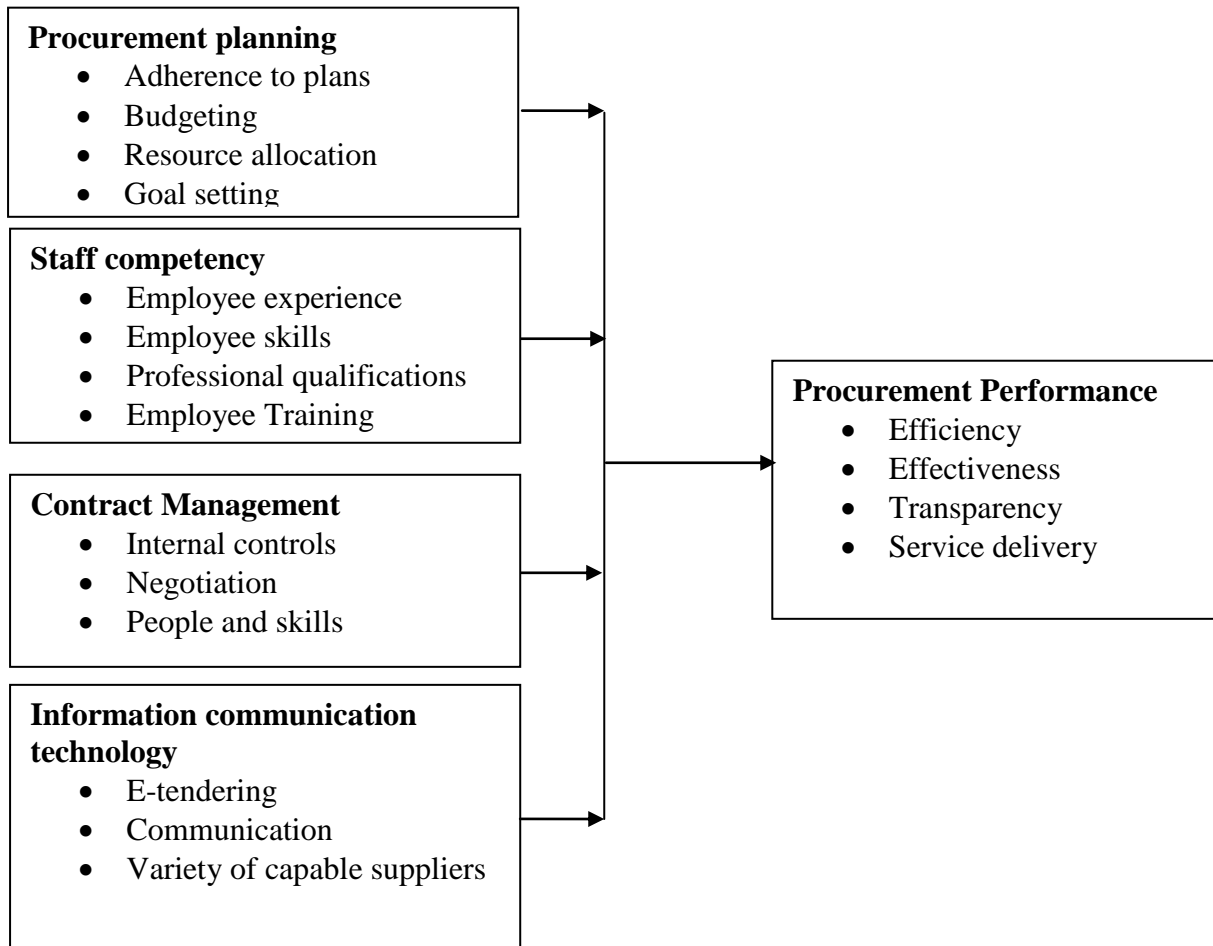
According to Schiele (2007), procurement performance entails how well organizational procurement objectives have been attained. The extent to which procurement function is able to obtain best value for spent organizational money to purchase products and services is the best indicator of procurement performance. Shalle et al (2014) deduced that procurement performance can be assessed by focusing on delivery, flexibility, quality, cost and technology.

Optimal performance attainment is dependent on how current suppliers` relationships are managed so as to ensure constant availability of needed quality supplies at the organization. Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract.

Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2004). Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno(2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement performance include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public, competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. Puschmann and Alt (2005) recognize that in the successful practices the redesigning of the procurement process is focused on: reduction or elimination of authorization stages; regulation of exceptions to a limited degree in the beginning; elimination of paper; integration of suppliers in the entire process chain; and consideration of the complete process from searching for goods through to invoicing.

## 2.4 Conceptual Framework

From the conceptual framework, procurement performance was the dependent variable and procurement planning, staff competency, contractual management and ICT were the independent variables.



**Independent Variables**

**Dependent Variable**

**Figure 2. 1: Conceptual framework**

## 2.5 Critique of the Literature Reviewed

The reviewed literature shows that achieving efficiency in public procurement is an ambitious task because it faces many obstacles from both political, legal and market structures. Best procurement performance is not only based on total cost, quality, and competitiveness. Though public procurement has become prominent, public entities have not adequately planned for the entire process. Major setback in public

procurement is poor procurement planning and management of the procurement process Mamiro (2010). Failure to establish performance has led to costly consequences to any public procuring entity. Resource confirmation and resource allocation helps make procurement effective when carried out appropriately (Kiage, 2013). Balancing between fighting corruption and efficiency has at times increased the cost of procurement (Arrowsmith, 2010). Barsemoi et al. (2014) Further, personnel carrying out the procurement functions in the public entities have not been sensitized on procurement regulations. The lack of professionalism has been explained as a cause of non-compliance to procurement laws (De Boer & Telgen, 2006).

Corruption impedes compliance to public procurement regulations (Raymond, 2008). Inadequate training is high amongst public procurement officers in Kenya (Ndumbi & Okello, 2015). Though technological development relies on the skills and abilities of employees, there has been inconsistent continuous investment in training (Sultana, 2012). Lack of professional training on procurement functions hinders procurement staff performance (Smith, 2009). The presence of poor contract management is characterized by payment delays to suppliers. This obstructs timely service delivery (Deva raj, Vaidya Nathan & Mishra, 2012).

Inadequate resource allocation, procurement planning, contract management and staff competency affect procurement performance (Kiage, 2013). Planning should ensure that available resources are utilized in order to achieve overall procurement objectives. Kenya loses hundreds of millions of taxpayer's money through cancelled contracts, unfinished projects, poor service or product delivery, corruption and nothing much has been done curb these vices (Kibogo, 2014).

Staff competency, information technology and ethics positively affect procurement function performance but a number of organizations are reluctant to adopt modern technologies (Wanyonyi & Muturi, 2015). E-Procurement cuts operational costs across the supply chain though it faces obstacles of commitment, competency and readiness for ICT adoption (Chene, 2009). Even after ten years after the e-government directorate was set to manage ICT in the government, most ordinary Kenya citizens are still using the manual system to access government services (Mumo et al., 2013). Optimal performance attainment is dependent on supplier

relation management and quality of supplies. Irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated (Otieno, 2004).

## **2.6 Research Gaps**

Public procurement accounts for a high proportion of government total expenditure. About 50% of developing countries' budget is spent on procuring goods and services (World Bank, 2016). Moreover, public procurement in developing countries accounts for up to 25% of GDP. In Kenya, government procurement rapidly increased as well as associated challenges in efficiency and transparency (Mburu, 2011). Globally, 60% of quality systems in public procurement have not delivered the expected benefits (Soudry, 2007). Further, 35% of procurement systems in developing countries are total failures, 50% are partial failures, while the remaining 15% are successes (Heeks, 2010). ICT adoption faces obstacles from inadequate procurement policy implementation (Orina, 2013). Further, despite significant increases in resources, public service delivery is still falling (Leni et al., 2012).

Further, procurement planning has a substantial impact on procurement performance (Kiage, 2013). Also, one of the major setbacks in public procurement is poor procurement planning and management of the procurement process (Mamiro, 2010). Achua (2011) posited that employee competencies have an effect on procurement performance. Gichio (2014) pointed out that weaknesses in public procurement and vulnerability to corruption are global in nature.

Poor contract management characterized by payment delays to suppliers greatly obstructs their ability to offer timely service delivery. Many procurement managers in State Corporations lack competitive knowledge and skills on effective procurement performance (Arthur, 2009). There has been inadequate training, acquaintance to the procurement Act and employment of unqualified procurement personnel (Wanyonyi & Muturi, 2015). The introduction of IFMIS has been used to aid corrupt procurement scandals like the NYS.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter described the methods which were applied in carrying out the research study in terms of research design, Target Population, Sample Frame, Sample size and Sampling procedure, Data Collection Instruments, Validity and reliability of research instruments, Data Collection Procedure and Data analysis.

#### **3.1 Research Design**

This study adopted a descriptive research design in which data was collected for the objectives of the study. The choice of this research design was motivated by its suitability for the instrument to collect a large amount of data. The design also provided a practical framework for collecting a large sample of groups and strong data reliability (Oso & Onen, 2005). The study further adopted a quantitative approach by using a structured questionnaire to collect primary data from the respondents.

Quantitative research approach was preferred because it allowed the researcher to measure and analyze data in detail to establish the relationship between the independent and dependent variables. Quantitative research was used to test the research hypotheses because of its ability to measure data using statistics. This was advantageous because it allowed for objective analysis of the study findings.

#### **3.2 Target Population**

Population according to Kothari, (2013) is the universe of interest. It is the total number of subjects or the total environment of interest to the researcher. This study targeted 160 participants from Nakuru Law Courts who comprised of senior managers, Head of Departments, Procurement officers and Suppliers.

#### **3.3 Sampling Frame**

According to Silverman (2005), the sampling frame should be large to allow the researcher to make inferences of the entire population. The sample frame for this study was comprised of 160 participants.

**Table 3. 1: Target Population Distribution Table**

<b>Participant</b>	<b>Target population</b>	<b>Percentage</b>
Senior Managers	15	9.4
Head of Departments	24	15.0
Procurement Officers	11	6.9
Suppliers	110	68.7
<b>Total</b>	<b>160</b>	<b>100</b>

Source: The Nakuru Law Courts

### **3.4 Sample Size and Sampling Technique**

This section described the determination of sample size and sampling technique this study employed.

#### **3.4.1 Determination of Sample Size**

The sample was calculated using the mathematical approach developed by Miller and Brewer (2003). Given a population of 160 and precision level of 0.1 the sample size was calculated as;

$$n = \frac{N}{1 + N(e)^2}$$

Where; n is the sample size; N is the population size and e is the level of precision (0.1)

$$n = \frac{160}{1 + 160 (0.1)^2}$$

$$n = 62$$

The sampling frame of the study constituted of 160 participants while the sample size comprised of 62 participants.

**Table 3. 2: Sample Size Distribution**

<b>Participant</b>	<b>Target population</b>	<b>Sample Size</b>
Senior Managers	15	6
Head of Departments	24	9
Procurement Officers	11	4
Suppliers	110	43
<b>Total</b>	<b>160</b>	<b>62</b>

### **3.4.2 Sampling Technique**

The choice of a sample size is vital so as to avoid wastage by not being too large and to give confidence to the results of the study by not being too small (Kothari, 2004). Stratified random sampling was used to select 62 respondents from the Nakuru Law Courts. According to Bryman and Bell (2007), stratified sampling ensures that the resulting sample is distributed in the same way as the population in terms of the stratifying criterion. In addition, stratified sampling is a good approach and method when there is a good statistical database available. It gives flexibility to the researcher to make a decision on identification and allocation of the units for the strata. It also gives possibilities to use and make more than just one stratifying criterion. Simple random sampling was also used to select the sample size of participants from each stratum.

### **3.5 Data Collection Instrument**

The study employed a structured questionnaire to collect data from the participants. Questionnaires are research instruments used to collect information geared towards addressing specific objectives (Kombo& Tromp, 2006). The questionnaire items were scaled on a five point likert scale. The close-ended Likert rating scaled the items on (5, 4, 3, 2 and 1) where 5-strongly agree, 4-agree, 3-undecided/neutral 2-disagrees and 1-strongly disagree.



### **3.6 Pilot Testing**

Prior to conducting the main research, a pilot study was conducted to test reliability and validity of the research instrument by pre-testing the questionnaire. A pilot test was carried out in Kisii Law Courts among a population with similar homogeneous characteristics. A content validity test was conducted to ensure all indicators to be measured are adequately represented.

Reliability test on the other hand looks at the ability of research instruments to give consistent results over and over again (Kombo & Tromp, 2006). Mugenda & Mugenda, (2003) recommends a 10% of the sampled participants to be considered as a sample size in a pilot study. The pilot study results were incorporated into the final data analysis.

#### **3.6.1 Instrument Reliability**

Reliability is a measure of the degree to which a research instrument yields consistent results after several trials (Mugenda & Mugenda, 2003). According to Kombo and Tromp (2006), reliability is the extent to which results are consistent overtime. Reliability of the research instrument will be calculated using Cronbach's Alpha coefficient for either even or uneven items based on the order of the number of arrangement of the questionnaire items. Test re-test method was used to pilot the questionnaires. A Cronbach correlation coefficient greater or equal to 0.7 is acceptable (George & Mallery, 2003).

#### **3.6.2 Instrument Validity**

Validity is the degree to which an instrument measures what is supposed to measure (Kothari, 2004). Validity is also the accuracy and meaningfulness of inferences, which are based on the research results (Mugenda & Mugenda, 2003). Content validity was used as a validity test. Comments and suggestions made by participants were incorporated in order to address some insufficiencies in the questionnaire.

### **3.7 Data Collection Procedure**

Data collection as defined by Kombo and Tromp (2006) is the process of gathering specific information aimed at proving or refuting some facts. The primary data was collected through a self-administered structured questionnaire on a drop and pick later basis to allow participants enough time to fill the questionnaires. The importance of

data collection is to promote decision making and response allocation that is based on solid evidence rather than on isolated occurrences, assumption and emotions.

### 3.8 Data Analysis and Presentation

The data collected was coded and analyzed using the Statistical Package for Social Sciences (SPSS version 23) tool. Both descriptive and inferential analyses were generated. Descriptive statistics was used as a measure of central tendencies and measures of dispersion (mean and standard deviation). Regression analysis was conducted to test whether the strength of the relationship between the independent variables and the dependent variable are statistically significant. A t-test was conducted to test the significance of the results at the 5% level of significance. The regression analysis was guided by the following model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots\dots\dots \text{Equation (3.2)}$$

Where,

Y Represents Procurement Performance

X<sub>1</sub> Represents Procurement planning

X<sub>2</sub> Represents Staff competency

X<sub>3</sub> Represents Contractual Management

X<sub>4</sub> Represent Information communication technology (ICT)

ε Represent serror term

α Represents Y intercept, β<sub>1</sub>, β<sub>2</sub>, and β<sub>3</sub> are the net changes in Y

The findings were presented using frequency distribution tables.

Assumptions of the model:

- i. There is a linear relationship between procurement performance and the four variables (X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, and X<sub>4</sub>)
- ii. There is a statistically significant relationship between procurement performance and the four variables (X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, and X<sub>4</sub>)
- iii. Taking all factors into account constant, procurement performance will be = α
- iv. Existence of multi-collinearity; that is, the independent variables are not related among themselves.
- v. Multivariate normality; that is, the variables are normally distributed

## CHAPTER FOUR RESEARCH FINDINGS AND DISCUSSION

### 4.1 Introduction

The purpose of the study was to assess the determinants of procurement performance in the Judiciary Department at the Nakuru Law Courts. This chapter presents and discusses the research findings of the demographic characteristics followed by both the descriptive, inferential and regression analyses of the study objectives respectively.

### 4.2 Reliability Test Results

A pilot study was carried at Kisii Law Courts to test the reliability of the research instrument (questionnaire). A Sample size of 6 participants (10% of sample) as recommended by Mugenda and Mugenda (2003) was selected and administered with questionnaires. The 6 participants comprised of 1 senior manager, 1 head of department, 2 procurement officers and 2 suppliers. All the issued questionnaires were filled and returned giving a response rate of 100%. The Cronbach's Alpha Test was conducted on all the study variables and gave Cronbach's Alpha values greater than 0.7 as shown in Table 4.1. A Cronbach correlation coefficient greater or equal to 0.7 is acceptable (George & Mallery, 2003). The results of the pilot test were not included in the final data analysis.

**Table 4.1: Reliability Test Results**

<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach's Alpha</b>
Procurement Planning	6	.819
Staff Competency	6	.767
Contractual Management	6	.759
Information Communication Technology	6	.706
Procurement Performance	6	.741

### 4.3 Response Rate

The study targeted a sample size of 62 participants out of which 54 questionnaires were completely filled and returned for analysis giving a response rate of 87.1%. The higher response rate was occasioned by the frequent follow up and clarification of the questions by the researcher. According to Mugenda and Mugenda (2003), Rogelberg and Stanton (2007) and Saunders et al., (2007), a response rate of 50% is adequate, a rate of 60% is good, and a response rate of 70% and over is very good.

**Table 4.2: Response Rate**

<b>No. of Participants</b>	<b>Questionnaires Administered</b>	<b>Questionnaires Filled and Returned</b>	<b>Percentage</b>
Participants	62	54	87.1%

Based on this awareness, the response rate in this study was considered to be very good for the study.

### 4.4 Demographic Characteristics of the Participants

The study analyzed the demographic characteristics of the participants based on gender distribution, age categories, highest level of education, Positions held and working experiences of the participants.

#### 4.4.1: Gender Distribution of the Participants

The study sought to establish the gender distribution of the participants in the Nakuru law Courts Judiciary department. From the findings illustrated in Table 4.3, the females were the majority 30(55.6%) followed by the males 24(44.4%).

**Table 4.3: Gender Distribution of the Participants**

<b>Gender</b>	<b>Frequency</b>	<b>Percent (%)</b>
Male	24	44.4
Female	30	55.6
<b>Total</b>	<b>54</b>	<b>100.0</b>

#### **4.4.2 Age of the Participants**

In addition, the study sought to investigate the age categories of the participants in the Nakuru Law courts judiciary department. From the findings shown in Table 4.4, majority of the participants were aged between 26-30 years 16 (29.6%) and 31-35 years 16 (29.6%) respectively. Those aged between 20-25 years were 7 (12.9%) while those aged 35 years and above were 15 (27.9%). The findings imply that majority of the participants were young in age because they were aged below 35 years. This age range was consistent with what is often used in national policies in Sub-Saharan Africa countries (Blum, 2007).

**Table 4. 4: Age of the Participants**

<b>Age Categories</b>	<b>Frequency</b>	<b>Percent (%)</b>
20-25 years	7	12.9
26-30 years	16	29.6
31-35 years	16	29.6
35 years and Above	15	27.9
<b>Total</b>	<b>54</b>	<b>100.0</b>

#### 4.4.3 Positions Held by Participants

The study further sought to establish the positions held by the participants in the Nakuru Law courts judiciary department. The results illustrated in Table 4.5 shows that majority of the participants were suppliers 32 (59.3%). Further, 4 (7.4%) were senior managers, 7 (12.9%) were head of departments while 11 (20.4%) were procurement officers respectively.

**Table 4. 5: Positions Held by Participants**

<b>Position</b>	<b>Frequency</b>	<b>Percent (%)</b>
Senior managers	4	7.4
Head of departments	7	12.9
Procurement officers	11	20.4
Suppliers	32	59.3
<b>Total</b>	<b>54</b>	<b>100.0</b>

#### 4.4.4 Participants Highest Level of Education

Additionally, the study sought to find out the highest education levels of the participants. The findings in Table 4.6 indicates that majority of the participants 21 (38.9%) had attained secondary school level of education followed by those who had degree level of education 14 (25.9%). Moreover, 13 (24.1%) of the participants attained diploma level of education while 6 (11.4%) attained masters and above level of education.

**Table 4. 6: Participants Highest Level of Education**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percent (%)</b>
Secondary	21	38.9
Diploma	13	24.1
Degree	14	25.9
Masters and Above	6	11.4
<b>Total</b>	<b>54</b>	<b>100.0</b>

#### **4.4.5 Working Experience of the Participants**

The study also sought to find out the working experience of the participants in the Nakuru law courts judiciary procurement department. The findings illustrated in Table 4.7 shows that majority of the participants 20 (37%) had worked for between 1-5 years in the judiciary procurement department followed by those who had worked for between 6-10 years 16 (29.6%). As well, 11 (20.4%) of the participants had worked for less than one year while 7 (13%) had worked for 10 years and above the judiciary procurement department. The findings imply that the participants had adequate experience with the judiciary procurement department and therefore were able to provide the required information sought by the study.

**Table 4.7: Working Experience of the Participants**

<b>Experience in years</b>	<b>Frequency</b>	<b>Percent (%)</b>
Less than one year	11	20.4
1-5 years	20	37.0
6-10 years	16	29.6
10 years and Above	7	13.0
<b>Total</b>	<b>54</b>	<b>100.0</b>

#### **4.5 Descriptive Statistics**

Descriptive analysis focuses on describing the basic feature of the data in a given study (Cooper & Schindler, 2013). In this section, descriptive analysis was used to

summarize findings on the influence of procurement planning, staff competency, contractual management and information communication technology on procurement performance.

#### 4.5.1 Influence of Procurement Planning on Procurement Performance

**Table 4. 8: Influence of Procurement Planning on Procurement Performance**

<b>Procurement Planning</b>	<b>N</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mea</b>	<b>S.D</b>
1. There is often adequate budgeting for procurement planning at Judiciary department	54	9.3%	59.3%	13.0%	13.0%	5.4%	3.600	0.969
2. Proper procurement planning contributes to the success of service delivery	54	16.7%	66.7%	7.4%	7.4%	1.8%	4.620	0.814
3. Poor procurement planning is a major setback in cost estimation for services and works	54	25.9%	29.6%	13.0%	29.6%	1.9%	4.033	0.995
4. Failure to adhere to procurement plans leads to irregular and biased decisions	54	16.7%	3.7%	46.3%	25.9%	7.4%	3.400	1.248
5. Procurement plans at the judiciary enables efficient use of available resources	54	16.7%	3.7%	40.7%	33.3%	5.6%	3.333	1.184
6. The procurement plans at the Judiciary offers satisfactory service delivery to suppliers	54	7.4%	66.7%	3.7%	20.4%	1.8%	3.533	1.008

In order to determine the influence of procurement planning on procurement performance at the Nakuru Law courts judiciary procurement department, the participants were asked to respond to a set of statements on a five point scale. The first statement asked the participants whether there is often adequate budgeting for procurement planning at Judiciary department. From the results shown in Table 4.8, the mean score for responses was 3.600 indicating that a majority of the participants (59.3%) were in agreement with this statement. The standard deviation indicates that a majority of responses did not vary from the mean by more than 0.969. The second statement sought to determine whether proper procurement planning contributes to the success of service delivery. A mean of 4.260 imply that a majority of the participants



(66.7%) were agreement with the statement. The standard deviation indicates that the responses did not vary from the mean score by more than 0.814. This finding is congruent to that of Kiage (2013) who indicated that procurement planning has a substantial impact on procurement performance.

The third statement asked respondents whether poor procurement planning is a major setback in cost estimation for services and works. A mean score of 4.033 implies that majority of the participants were in agreement (29.6%). The standard deviation was less than 1 at 0.995 implying that the participants were cohesive in their responses to the statement. This finding supports those of Ouma and Kilonzi (2014) who posited that resource planning is significant and contributes to public entity procurement and it is an important aspect in determining effectiveness of the procurement process.

The fourth statement sought to establish whether failure to adhere to procurement plans leads to irregular and biased decisions. Majority of the participants were neutral (46.3%) with a mean score of 3.400 and standard deviation of 1.248 implying that the participants had divergent opinions in their responses to the statement. The fifth statement sought to determine whether procurement plans at the judiciary enables efficient use of available resources. The majority of the participants were neutral (40.7%) with a mean score of 3.333 and standard deviation of 1.184. The study further sought to establish whether procurement plans at the Judiciary offers satisfactory service delivery to suppliers. The mean score of 3.533 and standard deviation of 1.008 imply that majority of the participants were in agreement with the statement.

#### **4.5.2 Influence of Staff Competency on Procurement Performance**

The study further sought to find out the influence of staff competency on procurement performance. The first statement asked the participants whether lack of professionalism is a major cause of non-compliance to procurement laws. From the results in Table 4.9, the mean score was 3.733 implying that the participants were in agreement (33.3%) with the statement. The standard deviation of 1.048 implies the participants had divergent opinions on the responses to the statement. Further, the study sought to find out whether there was regular staff training programmes on

procurement procedures. The mean score of 3.533 imply that the participants were in agreement (33.3%) with the statement.

The standard deviation of 1.279 indicates that the participants were not cohesive in their responses to the statement. The third statement sought to establish whether effective procurement activities were dependent on skills and experience of the employees. The majority of the participants (62.9%) were in agreement with a mean score of 3.567 and standard deviation of 1.040. Moreover, the study asked the participants whether the Judiciary department had competent and qualified procurement staff. The findings indicate that majority of the participants were neutral (37%) with a mean of 3.300 and standard deviation of 1.178 implying indifference in responses to the statement.

These findings are congruent to those of Barsemoi et al., (2014) who posited that most of the personnel carrying out procurement functions in the local authorities in Kenya have not been sensitized on procurement regulations. The fifth statement asked participants whether lack of continuous professional training on procurement function hinders procurement performance. The mean score of 3.802 and standard deviation of 1.095 imply that majority of the participants (33.3%) were in agreement with the statement though with divergent views as indicated by the standard deviation. This finding supports that of Christianne (2008) that employees must begin to realize that learning and continuous training is as big as job itself. Furthermore, the study asked the participants whether training employees enhances the level of competency in the procurement function. A mean score of 4.001 and standard deviation of 1.017 indicates that majority of the participants were in agreement with the statement.

**Table 4.9: Influence of Staff Competency on Procurement Performance**

Statements on Staff Competency	N	SA	A	N	D	SD	Mean	S.D
1. Lack of professionalism is a major cause of non-compliance to procurement laws	54	16.7%	33.3%	16.7%	3.7%	29.6%	3.733	1.048
2. There are regular staff training programmes on procurement procedures	54	9.3%	33.3%	24.1%	29.6%	3.7%	3.533	1.279
3. Effective procurement activities is dependent on skills and experience of the employees	54	9.3%	62.9%	3.7%	20.4%	3.7%	3.567	1.040
4. The Judiciary department employees competent and qualified procurement staff	54	16.7%	33.3%	7.4%	37%	5.6%	3.300	1.178
5. Lack of continuous professional training on procurement function hinders procurement performance	54	24.1%	33.3%	24.1%	16.7%	1.8%	3.802	1.095
6. Training employees enhances the level of competency in the procurement function	54	33.3%	33.3%	16.7%	9.3%	7.4%	4.001	1.017

#### 4.5.3 Influence of Contractual Management on Procurement Performance

Additionally, the study sought to analyze the influence of contractual management on procurement performance. The participants were asked whether there were no delays in service delivery by suppliers as spelled in contract timelines. The findings are as illustrated in Table 4.10. The responses mean score 3.100 and standard deviation of 1.124 imply that majority of the participants (50%) were impartial with the statement. These findings are congruent to those of Deva raj, Vaidya Nathan and Mishra (2012) who concluded that the presence of poor contract management that is characterized by payments delays to suppliers obstructs greatly their ability to offer timely service delivery leading to delays that derails organizational procurement timelines and schedules.

Further, the study sought to determine whether proper management of contracts positively affects procurement performance. The mean score of 3.967 indicate that the

majority of the participants (33.3%) were in agreement with the statement. The standard deviation of 0.928 implies that the participants were cohesive in their responses to the statement. The participants were also asked whether there were minimal contract cancellations, unfinished projects and extended contract periods. A mean of 3.301 and standard deviation of 1.149 indicates that majority of the participants were neutral (33.3%). The findings support those of SIGMA (2011) that contracts are frequently complex, may involve multiple actors, last a long time and may consume many resources. It is therefore vital that they are properly managed. The fourth statement asked participants whether corruption influences contract awarding and management to suppliers. The mean response score of 3.867 indicates that majority of the participants were in agreement (37%) with the statement. The standard deviation of 1.224 indicates that majority of the participants had divergent opinions in their responses.

The study further asked the participants whether there were improved contract management at the Judiciary procurement department. A mean score of 3.533 and standard deviation of 1.074 imply that majority of the participants (33.3%) were in agreement with the statement. The study also asked the participants whether contracts at the Judiciary procurement department are properly managed and allocated sufficient resources. A mean of 3.733 and standard deviation of 0.880 indicate that majority of the participants (40.7%) were in agreement with the statement.

**Table 4. 10: Influence of Contractual Management on Procurement Performance**

<b>Contractual Management</b>	<b>N</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>S.D</b>
1. There are no delays in service delivery by suppliers as spelled in contract timelines	54	3.7%	7.4%	50.0%	33.3%	5.6%	3.100	1.124
2. Proper management of contracts positively affects procurement performance	54	25.9%	33.3%	3.7%	13.0%	33.3%	3.967	0.928
3. There are minimal contract cancellations, unfinished projects and extended contract periods	54	16.7%	33.3%	33.3%	13.0%	3.7%	3.301	1.149
4. Corruption influences contract awarding and management to suppliers	54	29.6%	37%	7.4%	20.4%	5.6%	3.867	1.224
5. There are improved contract management practices at the Judiciary department	54	16.7%	33.3%	9.3%	25.9%	14.8%	3.533	1.074
6. Contracts at the Judiciary are properly managed and allocated sufficient resources	54	13.0%	40.7%	13.0%	29.6%	3.7%	3.733	0.880

#### **4.5.4 Influence of Information Communication Technology on Procurement Performance**

The study asked the participants whether adoption of ICT greatly improves service delivery and procurement performance as shown in Table 4.11. Majority of the participants (33.3%) agreed (mean = 3.800) with the statement. The standard deviation indicates that the responses did not vary from the mean by more than 1.034. The participants were also asked whether the use of ICT in procurement enhances quality information and communication flow. The majority were in agreement (42.6%) with a mean of 4.033 and standard deviation of 0.762. Moreover, the study sought to find out the adoption of e-tendering in procurement cuts costs of operation across the supply chain. The results revealed that majority of the participants (50%) were in agreement with a mean of 4.213 and standard deviation of 1.033.

The findings are congruent to those of Deva and Vaidya (2008) sought to investigate the quality in e-procurement performance and concluded that e-Procurement undertakes to cut operational costs across the supply chain. The study also sought to

find out whether suppliers are able to access tender information and apply online. The mean score of 3.133 and standard deviation of 1.269 imply that majority of the participants (40%) were in agreement. Additionally, the study sought to find out whether there were continuous ICT training programmes for procurement staff. A mean score of 2.833 and standard deviation of 1.234 imply that majority of the participants (37%) were impartial and had divergent opinions in their responses to the statement. The findings support those of Wanyonyi and Muturi (2015) who concluded in their study that staff competency, information technology and ethics positively affect procurement function performance.

**Table 4. 11: Information Communication Technology on Procurement Performance**

Statement on ICT	N	SA	A	N	D	SD	Mea	S.D
1. Adoption of ICT greatly improves service delivery and procurement performance	54	25.9%	33.3%	24.1%	9.3%	7.4%	3.800	1.034
2. Use of ICT in procurement enhances quality information and communication flow	54	37.0%	42.6%	9.3%	7.4%	3.7%	4.033	0.762
3. Adoption of e-tendering in procurement cuts costs of operation across the supply chain	54	16.7%	50.0%	7.4%	24.1%	1.8%	4.213	1.033
4. Suppliers are able to access tender information and apply online	54	13.0%	37.0%	40.7%	3.7%	5.6%	3.133	1.269
5. There are adequate resources to support ICT in terms of skills and resources	54	9.3%	40.7%	40.7%	7.4%	1.9%	3.133	1.167
6. There are continuous ICT training programmes for procurement staff	54	7.4%	33.3%	9.3%	37.0%	13.0%	2.833	1.234

#### **4.5.5 Procurement Performance**

The study procurement performance and the participants were asked whether procurement planning activities directly determine procurement performance. The findings are as illustrated in Table 4.12. The responses mean score 3.301 and standard deviation of 1.087 imply that majority of the participants (59.3%) were neutral in their responses to the statement. These findings are congruent to those of Shalle et al., (2014) who posited that procurement performance can be assessed by focusing on delivery, flexibility, quality, cost and technology.

Furthermore, the study sought to find out whether there were accountability measures to track performance of procurement function. The mean score of 3.402 indicate that the majority of the participants (29.6%) were impartial with the statement. The standard deviation of 1.379 implies that the participants were divergent in their responses to the statement. This finding contradicts that of Thai (2001) who posited that the basic principles of good procurement performance must include accountability.

The participants were also asked whether the use of ICT cuts down costs of operations and improves procurement efficiency. A mean of 3.233 and standard deviation of 1.165 indicates that majority of the participants were neutral (33.3%). The fourth statement asked participants whether contractual management practices are directly linked to procurement performance. The mean response score of 3.033 indicates that majority of the participants were impartial (20.4%) with the statement. The standard deviation of 1.159 indicates that majority of the participants had divergent opinions in their responses.

The study further asked the participants whether staff competency determines the performance of procurement function. A mean score of 3.718 and standard deviation of 1.074 imply that majority of the participants (53.7%) were in agreement with the statement. The study also asked the participants whether irregular procurement practices affects transparency and performance of procurement. A mean of 3.691 and standard deviation of 1.119 indicate that majority of the participants (33.3%) were in agreement with the statement.

**Table 4. 12: Procurement Performance**

<b>Procurement</b>	<b>N</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>S.D</b>
1. Procurement planning activities directly determine procurement performance	54	3.7%	24.1%	7.4%	59.3%	5.5%	3.301	1.088
2. There are accountability measures to track performance of procurement function	54	25.9%	29.6%	9.3%	24.1%	11.1%	3.402	1.379
3. Use of ICT cuts down costs of operations and improves procurement efficiency	54	13%	40.7%	3.7%	33.3%	9.3%	3.233	1.159
4. Contractual management practices are directly linked to procurement performance	54	9.3%	20.4%	29.6%	33.3%	7.4%	3.023	1.087
5. Staff competency determines the performance of procurement function	54	20.4%	53.7%	7.4%	16.7%	1.8%	3.718	1.119
6. Irregular procurement practices affects transparency and performance of procurement	54	24.1%	33.3%	25.9%	9.3%	7.4%	3.691	1.165

## **4.6 Inferential Statistics**

### **4.6.1 Correlation Analysis**

Inferential analysis focuses on the strength and direction of relationship between variables and inferring the findings from the sample to the population (Bryman& Bell, 2015).The researcher undertook a Pearson’s correlation to explain the relationship between the independent variables, procurement planning, staff competency, contractual planning, information communication and the dependent variable, procurement performance.



### a) Relationship between Procurement Planning and Procurement Performance

From Table 4.13, the study established a strong positive significant relationship ( $r = 0.761$ ,  $P=0.000$ ) between procurement planning and procurement performance. This implies that enhancing procurement planning has the potential to enhance procurement performance. Basing on the rule for significance level, the study rejects the null hypothesis ( $H_{01}$ ) and concludes that there is a significant relation between procurement planning and procurement performance. This findings support those of Mamiro (2010) who concluded that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

**Table 4. 13: Relationship between Procurement Planning and Procurement Performance**

		Procurement Planning
Procurement Performance	Pearson Correlation	.761**
	Sig. (2-tailed)	.000
	N	54

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

### b) Relationship between Staff Competency and Procurement Performance

The coefficient of Correlation in Table 4.14 shows a strong positive significant relationship between staff competency and procurement performance ( $r = 0.725$ ,  $P=0.042$ ). These results therefore imply that improving staff competency enhances procurement performance. Thus, the study rejects the null hypothesis ( $H_{02}$ ) and concludes that there is significant relation between staff competency and procurement performance. According to Hall (2009), efficiency and the effectiveness of procurement procedures are hindered by absence of effective continuous employee training programmes that help in equipping the employees with competitive procurement management skills.

**Table 4. 14: Relationship between Staff Competency and Procurement Performance**

		Staff Competency
Procurement Performance	Pearson Correlation	.725*
	Sig. (2-tailed)	.042
	N	54

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

**c) Relationship between Contractual Management and Procurement Performance**

The findings in Table 4.15, shows a strong positive significant relationship between contractual management and procurement performance ( $r = 0.732$ ,  $P = 0.020$ ). The study therefore rejects the null hypothesis ( $H_{03}$ ) and concludes that there is a statistically significant relationship between contractual management and procurement performance. The findings support that of Kibogo (2014) who reported that the Kenya government has been losing hundreds of millions of taxpayer's money through cancelled contracts, unfinished projects, poor service or product delivery, corruption and extended contract periods without major improvement. This ultimately impacts procurement performance of an organization or department.

**Table 4. 15: Relationship between Contractual Management and Procurement Performance**

		Contractual Management
Procurement Performance	Pearson Correlation	.732*
	Sig. (2-tailed)	.020
	N	54

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

**d) Relationship between ICT and Procurement Performance**

The findings in Table 4.16, shows a strong positive significant relationship between information communication technology and procurement performance ( $r = 0.699$ ,  $P = 0.034$ ). The study therefore rejects the null hypothesis ( $H_{04}$ ) and concludes that there is a statistically significant relationship between information communication

technology and procurement performance. The findings support those of Carayannis and Popescu (2005) that at the public sector level, technology enhances infinite and non-restricted access to government information and increases market transparency and economic incorporation based on complementarities. Additionally, Wanyonyi and Muturi (2015) concluded that ICT, staff competency and ethics have a direct impact on performance of the procurement function.

**Table 4. 16: Relationship between ICT and Procurement Performance**

		Information Communication Technology
	Pearson Correlation	.699*
Procurement	Sig. (2-tailed)	.034
Performance	N	54

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

#### 4.6.2 Regression Analysis

The R value shown in the model was 0.868 while the value of R square was 0.754 as shown in Table 4.17. The R square statistic indicates that the model as fitted explains 75.4% of the total variability in procurement performance. This means that 75.4% of the total variability in procurement performance can be explained by procurement planning, staff competency, contractual management and information communication technology. However, the model did not explain 24.6% of the variations in procurement performance. It also shows that the predictor variables were good predictors of procurement performance at Nakuru Law courts judiciary procurement department.

**Table 4. 17: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868 <sup>a</sup>	.754	.741	1.0480

a. Predictors: (Constant), Procurement planning, Staff competency, Contractual Management and Information communication technology

**a) Analysis of Variance of the Model**

The ANOVA test result shows F statistic value as  $f(3, 50)$  at 95% level of significance = 2.79. The calculated F value is  $2.891 > 2.79$ ,  $p=0.014$  as shown in Table 4.18. The F calculated value of 2.891 is an indication that the model is a good fit. This is because it shows a statistically significant relationship between the variables. This implies that procurement planning, staff competency; contractual management and information communication technology have a significant statistical influence on the procurement performance of the judiciary procurement department at Nakuru Law courts.

**Table 4. 18: Analysis of Variance of the Model**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	7.963	3	2.654	2.891	.0140a
Residual	45.922	50	0.998		
Total	53.885	53			

a. Predictors: (Constant), Procurement planning, Staff competency, Contractual Management and Information communication technology

b. Dependent Variable: Procurement performance

**b) Model Regression Coefficients**

The coefficients of the regression model relating procurement planning, staff competency, contractual management, information communication technology and procurement performance are presented in Table 4.19. The model shows that the predictors have a significant p-value = 0.028, which means that they were significant

in predicting changes in procurement performance of the judiciary procurement department at Nakuru law courts.

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

$$Y = 2.713 + 0.671X_1 + 0.650X_2 + 0.644X_3 + 0.638X_4$$

From the regression equation above, taking all the predictor variables constant (zero), the dependent variable will be 2.713. Further, the regression equation above shows that the coefficient ( $\beta_1$ ) of procurement planning was 0.671. This meant a unit increase in procurement planning would result in a 67.1% increase in procurement performance. Thus, procurement planning has a strong positive influence on procurement performance. Similarly, a unit increase in staff competency would result in 65% increase in procurement performance. This finding is congruent to that of Sultana (2012) that technological developments and organizational change have led employers to the realization that their success relies on the skills and abilities of their employees. Moreover, a unit increase in contractual management would result in 64.4% increase in procurement performance and a unit increase in information communication technology would result in 63.8% increase in procurement performance.

**Table 4. 19: Model Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.713	1.278		.558	.028
	Procurement Planning	.671	.202	.552	.848	.040
	Staff Competency	.650	.240	.520	.782	.036
	Contractual Management	.644	.214	.530	.833	.046
	Information communication Technology	.638	.231	.541	.701	.025

a. Dependent Variable: Procurement performance

### c) Stepwise Regression Analysis

The study conducted a stepwise regression analysis to determine the best fitting model. An Alpha-to-Enter significance level was set at  $\alpha_E = 0.15$ , and Alpha-to-Remove significance level was set at  $\alpha_R = 0.15$ .

A t-test p-value less than 0.15 were accepted for entry into the model while a t-test p-value greater than 0.15 was removed. After, regressing  $y$  on  $x_1$ , regressing  $y$  on  $x_2$ , regressing  $y$  on  $x_3$ , and regressing  $y$  on  $x_4$ , the results are illustrated in Table 4.20. Each of the predictors was a candidate to be entered into the stepwise model because each  $t$ -test  $P$ -value is less than  $\alpha_E = 0.15$ . The predictors  $X_4$  had the smallest p-values of 0.025 followed by  $X_2$  at 0.036 respectively. As a result  $X_4$  was first entered into the stepwise model. This was followed by the predictor variables of  $X_2$ ,  $X_1$  and  $X_3$  respectively. The Alpha-to-Remove significance level set at  $\alpha_R = 0.15$  was not used because all the predictor variables had t-test p-values of less than 0.15.

**Table 4. 20: Stepwise Regression Model**

<b>Predictor</b>	<b>Coef</b>	<b>SE Coef</b>	<b>T</b>	<b>P-Value</b>
Constant	2.713	1.278	.558	.028
$X_1$	.671	.202	.848	.040
$X_2$	.650	.240	.782	.036
$X_3$	.644	.214	.833	.046
$X_4$	.638	.231	.701	.025

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This chapter presents the summary of key findings, the conclusions drawn from the findings and recommendation made to the study. The objectives of the study included the influence of procurement planning, Staff competency, Contractual Management and Information communication technology on procurement performance of the Judiciary department at Nakuru Law Courts.

#### **5.2 Summary of Findings**

This section summarizes the findings based on the objectives of the study.

##### **5.2.1 Influence of Procurement Planning on Procurement Performance**

The first objective sought to establish the influence of procurement planning on procurement performance of Judiciary department at the Nakuru Law Courts. The findings revealed that there was adequate budgeting for procurement planning at Judiciary department. Further, the study established that proper procurement planning contributes to the success of service delivery. Similarly, the study found that poor procurement planning was a major setback in cost estimation for services and works. Therefore, resource planning is significant and contributes to public entity procurement performance. On the contrary, the study established that majority of the participants were impartial that failure to adhere to procurement plans leads to irregular and biased decisions. The study also established that procurement plans at the judiciary did not adequately enable efficient use of available resources. However, the study found out that procurement plans at the Judiciary offered satisfactory service delivery to suppliers.

##### **5.2.2 Influence of Staff Competency on Procurement Performance**

The second objective study sought to find out the influence of staff competency on procurement performance. The findings revealed that lack of professionalism is a major cause of non-compliance to procurement laws. There was regular staff training programmes on procurement procedures for employees. Similarly, the study

established that effective procurement activities were dependent on skills and experience of the employees. Majority of participants were impartial that the Judiciary procurement department had competent and qualified procurement staff. The study further established that lack of continuous professional training on procurement hinders procurement performance. Similarly, training employees enhances the level of competency in the procurement.

### **5.2.3 Influence of Contractual Management on Procurement Performance**

The third objective analyzed the influence of contractual management on procurement performance. The findings established that there were delays in service delivery by suppliers as spelled in contract timelines. Further, proper management of contracts positively affect procurement performance. The participants were impartial that there were minimal contract cancellations, unfinished projects and extended contract periods. This implies that contracts must be properly managed. The study found out that corruption influences contract awarding and management to suppliers. Likewise, the study established that there was improved contract management at the Judiciary procurement department. Besides, the study found that contracts at the Judiciary procurement department are properly managed and allocated sufficient resources.

### **5.2.4 Influence of Information Communication Technology on Procurement Performance**

The fourth objective assessed the influence of information communication technology on procurement performance. The study found that adoption of ICT greatly improves service delivery and procurement performance. Moreover, the use of ICT in procurement enhances quality information and communication flow. Correspondingly, the adoption of e-tendering in procurement cuts costs of operation across the supply chain. There was impartiality on whether suppliers are able to access tender information and apply online. Similarly, there were limited continuous ICT training programmes for procurement staff.



### **5.3 Conclusions of the Study**

The study concludes that the Judiciary department at Nakuru Law Courts provides adequate budgeting for procurement planning. Further, the study concludes that proper procurement planning determines the success of service delivery. However, the study concludes that poor procurement planning is a major setback in cost estimation for services and works. Further, the study concludes that failure to adhere to procurement plans enhances making of irregular and biased decisions. The study also concludes that the judiciary has not efficiently enabled use of available resources. Additionally, procurement plans at the Judiciary offered satisfactory service delivery to suppliers.

The study also concludes that lack of professionalism is a major cause of non-compliance to procurement laws. Moreover, the study concludes that employees were regularly trained on procurement procedures. Moreover, effective procurement activities are dependent on skills and the experience of the employees. The Judiciary procurement department has challenges on competency and qualifications of the procurement staff. Besides, lack of continuous professional training on procurement hinders procurement performance. Similarly, training employees enhances their competency in the procurement.

The study further concludes that there were delays in service delivery by suppliers though the contracts spelled the timelines. Further, proper management of contracts enhances procurement performance. The Judiciary procurement department faces more than minimal contract cancellations, unfinished projects and extension of contract periods. The study as well concludes that corruption influences contract awarding and management to suppliers. Nevertheless, the Judiciary procurement department has improved management of contracts because of allocation of sufficient resources.

On the same note, the study concludes that adoption of ICT greatly improves service delivery and procurement performance. Moreover, the use of ICT in procurement enhances quality information and communication flow. Correspondingly, the adoption of e-tendering in procurement cuts costs of operation across the supply chain. However, not all suppliers are able to access tender information and apply online. There were no regular ICT training programmes to empower procurement staff.

#### **5.4 Recommendations of the Study**

The study recommends that adequate resources should be provided for procurement planning in the Judiciary department at Nakuru Law Courts. Additionally, proper procurement planning should always be prioritized to assure quality service delivery. Procurement planning should be carefully done to foster accurate cost estimation for services and works. The Judiciary procurement department should develop procedures to enhance adherence to procurement plans and decision making. Available resources in the judiciary procurement departments should be efficiently utilized for satisfactory service delivery to suppliers.

The judiciary procurement department should focus on enhancing professionalism to ensure compliance to procurement laws. The judiciary department should continue training and empowering employees on procurement procedures. Building of employee skills and experience should be nurtured to enhance effective procurement activities. Further, the Judiciary procurement department should consider evaluating the competency and qualifications of their procurement staff.

The judiciary procurement department should focus on contract terms and timeline to minimize delays in service delivery by suppliers. More effort should be put on minimizing contract cancellations, the number of unfinished projects and extension of contract periods. The judiciary procurement department should put measures in place to eradicate corrupt activities on contract awarding and management to suppliers.

The judiciary procurement department should continue adopting ICT in all its procurement spheres to augment procurement performance. Adoption of ICT in procurement should continue fostering communication and quality information flow to suppliers and staff. Correspondingly, adoption of e-tendering in procurement to cut costs of operation across the supply chain should be expanded. Suppliers should be empowered to access tender information and apply online. Further, procurement staff should be regularly trained on ICT to facilitate procurement performance.

## **5.5 Recommendations for further study**

### **5.5.1 Recommendations on Procurement Planning**

Further should be conducted to determine the factors which affect adherence to procurement plans in public institutions.

### **5.5.2 Recommendations on Staff Competency**

Further study should be done to evaluate the influence of building employee skills on procurement performance

### **5.5.3 Recommendations on Contractual management**

Further study should be carried out to find out the factors enhancing contract cancellations and why contract timelines are not adhered to in state corporations.

### **5.5.4 Recommendations on Information Communication Technology**

Moreover, further research should be done to find out the effect of ICT on procurement performance.

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## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

**REBECCA NYAKERARIO MESA**

**JKUAT, NAKURU CBD CAMPUS,**

**P.O. BOX 1063-20100,**

**NAKURU.**

Dear Sir/Madam,

**RE: INTRODUCTION LETTER FOR ACADEMIC RESEARCH**

I am a Master of Science (Procurement and Contracting Management) student at Jomo Kenyatta University of Agriculture and Technology (JKUAT) conducting a research study entitled "*To Assess Determinants of Effective Procurement Performance in Judiciary Procurement Department at the Nakuru Law Courts, Kenya*". The purpose of this letter is to request you to kindly fill in the questionnaire with precision and accuracy. The questionnaire is supposed to assist in answering specific objectives of the research which is being undertaken as part of the University requirement. Any information given herein will be treated with utmost confidentiality and only be used for the purpose of research.

Thanking you in advance for your contribution.

Yours faithfully,

**Rebecca Nyakerario Mesa**

**JKUAT –Msc. Procurement and Contracting Management**

## APPENDIX II: QUESTIONNAIRE

The Information is intended for academic purposes only and will not be divulged to any other person. Please complete all sections of this document. All questions are interrelated and are very important for the study.

### SECTION I: BIO DATA

Kindly tick as appropriate the requested information in the spaces provided

1. Kindly indicate your gender?

Male

Female

2. What is your age group?

20-25 years

26-30 years

31-35 years

Above 35 years

3. What position do you hold at Nakuru Law Courts?

Senior manager

Head of Departments

Procurement Officers

Suppliers

4. Indicate your highest level of Education?

Diploma

Degree

Masters' degree and above

5. How long have you worked with the Law Courts?

Less than one year  1-5 years

6-10years  Above 10 years

## SECTION II: PROCUREMENT PLANNING

The following statements relate to procurement planning practices on performance of procurement function in the Judiciary Department at the Nakuru Law Courts. Using the key (**Where: Strongly Disagree-1; Disagree-2; Neutral-3; Agree-4; Strongly Agree-5**), tick as appropriate the extent to which you agree with the statements in relation to your organization

<b>Statements on Procurement Planning</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. There is often adequate budgeting for procurement planning at Judiciary department					
2. Proper procurement planning contributes to the success of service delivery					
3. Poor procurement planning is a major setback in cost estimation for services and works					
4. Failure to adhere to procurement plans leads to irregular and biased decisions					
5. Procurement plans at the judiciary enables efficient use of available resources					
6. The procurement plans at the Judiciary offers satisfactory service delivery to suppliers					

### SECTION III: STAFF COMPETENCY

The following statements relate to Staff competency practices on performance of procurement function in the Judiciary Department at the Nakuru Law Courts (**Where: Strongly Disagree-1; Disagree-2; Neutral-3; Agree-4; Strongly Agree-5**), tick as appropriate the extent to which you agree with the statements in relation to your organization

Statements on Staff Competency	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
7. Lack of professionalism is a major cause of non-compliance to procurement laws					
8. There are regular staff training programmes on procurement procedures					
9. Effective procurement activities is dependent on skills and experience of the employees					
10. The Judiciary department employees competent and qualified procurement staff					
11. Lack of continuous professional training on procurement function hinders procurement performance					
12. Training employees enhances the level of competency in the procurement function					

## SECTION IV: CONTRACTUAL MANAGEMENT

The following statements relate to Contractual Management Practices on performance of procurement function in the Judiciary Department at the Nakuru Law Courts (Where: **Strongly Disagree-1; Disagree-2; Neutral-3; Agree-4; Strongly Agree-5**), tick as appropriate the extent to which you agree with the statements in relation to your organization

<b>Statements on responses to Contractual Management</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
13. There are no delays in service delivery by suppliers as spelled in contract timelines					
14. Proper management of contracts positively affects procurement performance					
15. There are minimal contract cancellations, unfinished projects and extended contract periods					
16. Corruption influences contract awarding and management to suppliers					
17. There are improved contract management practices at the Judiciary department					
18. Contracts at the Judiciary are properly managed and allocated sufficient resources					



## SECTION V: INFORMATION COMMUNICATION TECHNOLOGY

The following statements relate to Information Communication Technology practices on performance of procurement function in the Judiciary Department at the Nakuru Law Courts (**Where: Strongly Disagree-1; Disagree-2; Neutral-3; Agree-4; Strongly Agree-5**), tick as appropriate the extent to which you agree with the statements in relation to your organization

Statements on ICT	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
19. Adoption of ICT greatly improves service delivery and procurement performance					
20. Use of ICT in procurement enhances quality information and communication flow					
21. Adoption of e-tendering in procurement cuts costs of operation across the supply chain					
22. Suppliers are able to access tender information and apply online					
23. There are adequate resources to support ICT in terms of skills and resources					
24. There are continuous ICT training programmes for procurement staff					

## SECTION VI: PROCUREMENT PERFORMANCE

The following statements relate to strategic responses to performance of procurement function in the Judiciary Department at the Nakuru Law Courts (**Where: Strongly Disagree-1; Disagree-2; Neutral-3; Agree-4; Strongly Agree-5**), tick as appropriate the extent to which you agree with the statements in relation to your organization

Statements on Procurement performance	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
25. Procurement planning activities directly determine procurement performance					
26. There are accountability measures to track performance of procurement function					
27. Use of ICT cuts down costs of operations and improves procurement efficiency					
28. Contractual management practices are directly linked to procurement performance					
29. Staff competency determines the performance of procurement function					
30. Irregular procurement practices affects transparency and performance of procurement					