STRATEGIC PROCUREMENT PRACTICES AND THE PERFORMANCE OF DEVOLVED SYSTEMS OF GOVERNANCE IN KENYA

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Strategic Procurement Practices and the Performance of Devolved Systems of Governance in Kenya

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DECLARATION

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

Signature…… Date……

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

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DEDICATION

I would like to dedicate this work to God Almighty who blessed me with good health and wisdom, myself for the effort and perseverance and to my Parents.

ACKNOWLEDGEMENT

I would like to express my appreciation to my friends for the support through this work, my supervisors, Dr. Noor Shale and Dr. Esther Waiganjo for their efforts in terms of providing extensive guidance. Their constant direction and prompt reaction have made all of this possible, and they have made what seems to be tough and impossible comprehensible.

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LIST OF ACRONYMS AND ABBREVIATION

B2B	business-to-business
BATNA	Best Alternative to a Negotiation Agreement.
CIPS	Chartered Institute of Procurement and Supply
EACC	Ethics and Anti-corruption Commission
EDI	Electronic Data Interchange
EPEC	Eastern Passage Education Centre
ERP	Enterprise resource planning
ESI	Early Supplier Involvement
EU	Europe Union
IFMIS	Integrated financial management System
KIPPRA	Kenya Institute of Public Policy Research and Analysis
KISM	Kenya Institute of Supplies management
MNC	Multinational Corporations
MRO	Maintenance, repair and operations
PP	Public procurement
PPADDA	Public Procurement and Asset Disposal Act
PPARB	Public Procurement Administrative Review Board.
PPRA	Public Procurement Regulatory Board

R&D	Research and Development.
SSCM	Strategic Supply Chain Management
TCO	Total Cost of Ownership
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNICITRAL	United Nations Commission on International Trade Law
USA	United States of America

DEFINITION OF OPERATIONAL TERMS

Devolved Systems of Governance Devolution under the Constitution of Kenya, 2010 comprises of two levels of government, namely the National and County government. The devolved systems of governance therefore comprise the County Executive and County Assembly. Under the Devolved Systems of Governance, citizens participate in their governance by exercising their sovereignty either directly or indirectly through elected and appointed representatives (Ministry of devolution and Planning, 2016).

Performance Performance is how an organization meets its financial goals and market criteria, it can be measured from both financial and non-financial criteria (Li *et al*., 2005)

Public procurement acts Public procurement acts are guidelines set by an ACT of parliament so as to provide procedures for efficient public procurement and for assets disposal by public entities; and for connected purposes (PPADA, 2015)

Public procurement regulations Public procurement regulations are guidelines to operationalize the Public Procurement and Asset Disposal Act, 2015, on the coordination of procurement and disposal procedures by procuring entities. (PPADR, 2020)

Strategic Contract management practice Strategic contract management goes beyond Preparation, approval, monitoring and cancellation of procurement contracts, it includes creating powerful strategic partnership with vendors and working towards achieving corporate goals,

which at the end will result in cost reduction and customer satisfaction. (CIPS, 2013).

Strategic e- procurement practice Strategic e-procurement is the process of using internet-based (integrated) information communication technologies to conduct each or all stages of procurement process including search, sourcing, negotiation, ordering, receipt and post-purchase review with the objective of reducing on purchasing cost and encouraging transparency in procurement process (Kirimi & Noor, 2014).

Strategic negotiation practice Strategic negotiation is a proactive approach in which negotiating team develop a powerful negotiating tactics including; thorough preparation, communication, emotional intelligence in advance before meeting with the opponents, followed by proper practice of the skills in order to hone them (Lares,2020).

Strategic Procurement Practices Strategic procurement practices involve all activities that necessary for strategically purchasing of goods and services, including outsourcing of entire processes, delivering of better long-term shareholder value. It involves reducing the supplier base, co-operative negotiation with suppliers, quality interaction with suppliers, and developing long-term relationships with the best suppliers. Nevertheless, these strategic procurement behaviors are linked to better procurement performance (Ellram & Zsidisin, 2003)

Strategic supplier relationship practice Strategic supplier practice is the process that defines how a company interacts with its

strategic suppliers. Just as a company needs to develop relationships with its customers, it also needs to foster relationships with its suppliers in order to accomplish actual and measurable value beyond contracted expectation (Cousins & Spekman, 2003).

ABSTRACT

Organizations have worked to reduce costs in order to increase profits and gain a competitive advantage. This is accomplished through strategic procurement practices, which help an organization gain a competitive advantage by contributing to the organization's strategic goals and its ability to significantly increase performance and productivity. The goal of this research was to look at the impact of strategic procurement practices on the functioning of Kenya's devolved government, problems have arisen by failure of the counties to observe strategic procurement practices in Kenya, for instance there was a clear indication that Devolved Systems of Governance do not adhere to strategic procurement practices, as was seen in Bomet county that there was poor contract management after the devolved system failed to inspect the bridge construction that costed a lot of tax-payers money and yet the bridge was substandard, the bridge that was supposed to cost Kshs.2.4 million, ended up costing Kshs 6.4million, this lead to high level of customer dissatisfaction, since the public felt that they were not getting value for their money . The study took place in the 10 counties namely Garissa, Kisii, Nyamira, Narok, Marsabit, Murang'a, Bomet, Nairobi, Kiambu and Homa Bay. The study adopted mixed research design, both cross sectional and longitudinal design. A sample size of 186 people constituting respondent from procurement and finance was selected from all the counties, the study used stratified random sampling. The survey included both open-ended and closed-ended questions. Pilot testing was carried out to establish the instrument's reliability and validity. Statistical Packages for Social Science were used to conduct the analysis. Multiple regression analysis and conventional F tests were used to evaluate hypotheses, allowing all variables to be examined concurrently rather than individually. Strategic supplier relationships, strategic e-procurement practices, strategic negotiation practices, and strategic contract management were all found to be significant predictors of Devolved Systems of Governance performance, with strategic negotiation practice being the most significant of the four. Furthermore, the research found that the Devolved Systems of Governance lacks specific performance criteria and measurements for diverse stakeholders in county government, particularly during contract award. As a proactive way of improving the performance of Devolved systems, supply chain managers and finance managers should adopt and embrace strategic supplier relationship practice, strategic e-procurement practice, strategic negotiation practice, and strategic contract management, according to the study. The report also suggests that devolved systems of governance collaborate on product development with suppliers and include suppliers directly or indirectly in strategic planning. Similarly, the study recommends that the Devolved Systems of Governance strategically employ the best negotiation strategies for a variety of reasons, including obtaining fair prices for specified item quality, agreeing on delivery dates, deciding on packaging, packing, and mode of transportation, and agreeing on payment terms, among others.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

As a strategy of delivering important services to the public, devolved governments are increasingly outsourcing public service provision. As a result, public sector organizations are required to meet high performance requirements in public service (Boyne & Walker, 2010), and procurement has become a strategic concern for them. Procurement is critical to an organization's profitability and adds value to shareholders (Janda & Seshadri, 2001). It deals with the purchase of products and services, as well as the outsourcing of whole operations, to improve long-term shareholder value. It involves reducing the supplier base, co-operative negotiation with suppliers, quality interaction with suppliers, and developing long-term relationships with the best suppliers. Nevertheless, these strategic procurement behaviors are linked to better procurement performance (Ellram & Zsidisin, 2003).

Procurement is a crucial element in the working functions of any state. According to Public Procurement and Asset Disposal Act (2015), procurement means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination. Procurement encompasses the whole process of acquiring property and/or services. According to (Chopra, 2004) procurement is the process of obtaining goods and services from the preparation and processing through to receipt and approval of the invoice for payment. Thus, every public service agencies should strive to maximize overall 'value for money' for citizens. This requires consideration of issues such as client satisfaction, the public interest, fair play, honesty, justice and equity (Barrett, 2000; Korosec & Bartle, 2003).

In Kenya, procurement consumes 45% of the national budget, excluding county government procurement (Citizen guide to public procurement, 2016). Therefore procurement should focus on opportunistically, on the short term superiority of bargaining power (Cox, 2005) and extract maximum cost reductions (Nollet & Beaulieu, 2005). Also, county government' procurement should take a more strategic perspective, reflecting its uniqueness from the private sector, improving its strategic contribution and meaningful involvement (Johnson & Leenders, 2003) through accelerating the economic recovery. Tummala *et al.* (2006) and Murray (2007, 2009) noted that public procurement managers should develop procurement strategies options and present to local political leaders to make the choice regarding the county's specific objectives.

1.1.1 Global Perspective on Strategic Procurement Practices

Globally, adoption and regulation of public expenditure has quickly gained momentum. Procurement is the acquisition of goods, services or works from an external source (Masurier, 2014). In state run institutions, government across the globe continue to establish procurement systems to manage public expenditures. Capone (2016) opines the widespread regulation of public procurement to realized benefits in cutting costs and undertaking purchases competitively thus thereby improving the quality and value for the money. Since the beginning of the 90s, scholars have highlighted that procurement is becoming increasingly strategic in companies (Spekman *et al.*, 1994). It is a well-recognized fact that companies have increasingly reorganized their business models to concentrate on core competences and outsourcing both operational and strategic activities and processes to external actors (Cousins *et al.*, 2008). Companies have thus gradually become dependent on a multitude of relationships with suppliers. As a consequence of the strategic importance of supplier relationships, the procurement function becomes more and more crucial. This function performs more and more strategic activities; further, it develops and controls critical capabilities supporting and enhancing the company's competitive differential (Monczka *et al.*, 2005).

In European countries, public procurement (PP) represents a large portion of public spending each year and has been estimated to be around 19.4 per cent of the gross domestic product across 27 Europe Union (EU) member states (EU Com, 2012). It is the process by which central, regional and local government and public authorities, bodies and agencies governed by public law and regulation, purchase and commission services, public works and associated goods and materials (Aschhoff & Sofka, 2009). The PP process has generally been intended as a rigid process narrowly aimed at non-discrimination, cost efficiency and the achievement of transparency goals (EU, 2004). Likewise in the African, the current regimes have established procurement regulations based on the rationale that a regulated public expenditure is the cornerstone to effective and efficient public service delivery and satisfaction. This view is shared by Heald (2012) who alluded that unregulated public expenditure is a fodder to procurement frauds which mint millions of shillings from public coffers hence leading to unrests.

1.1.2 Kenya Perspective on Strategic Procurement Practices

In Kenya, public procurement has surely evolved from the annals where the public expenditure was rarely regulated to independent procurement structures and regulating bodies. Migai (2010) gives credit to public procurement reforms and regulations in Kenya to competitiveness and transparency in acquisition of government services and goods, wider stakeholders' consultations, improved processes and procedures, improved accountability, elimination of collusion and corruption among supply agents and eradication of non-value added purchasing methods. Public procurement often constitutes the largest domestic market in developing countries.

Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries (Kihara, 2009). Public procurement is the principal means through which government meet developmental needs such as the provision of physical infrastructure and the supply of essential medicines. Many government use public procurement to

support the development of domestic industries, overcome regional economic imbalances (Kihara, 2009).

In addition, public procurement in Kenya has undergone major reforms such as the Public Procurement and Disposal Act, of 2005 which was assented to on 26th October 2005 and was revised in 2009 to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities (Mwangi, 2009). With the gazettement of the subsidiary legislation, the PPDR of 2006, the law became operational on 1st January, 2007 (Kirugu, 2010).

The Act established three independent bodies to regulate the act; National treasury, the Public Procurement Regulatory Authority (PPRA) and the Public Procurement Administrative Review Board (PPARB). Also, Public Procurement and Asset Disposal Act (PPADDA) 2015 was enacted in January 2016, This procurement act highlights the roles and responsibilities of County government in respect to Public Procurement and Asset Disposal. For example it the responsibility of a County Treasury to implement the public procurement and asset disposal policy in the county and thus, the County Treasury shall establish procurement function in the county and prescribe an intuitional framework to provide for procurement, administration and management of common user items for the county government (PPADDA, 2015).

Locally strategic procurement practices have been seen to have significant impact on firm performance on the banking sector specifically Kenya commercial bank, for instance, it was noted that supplier relationship management led to the improvement of quality of goods procured and waste reduction. Also, strategic sourcing as another strategic procurement practice was seen as a strategic tool towards achieving growth and improved workflow, increased efficiency within the organization and also led to the compliance with environmental and industry regulations and laws. Strategic sourcing also led to an increase in the quality of goods procured and waste reduction within the organization and also enabled the bank achieve strategic advantage and

competitive advantage of the bank, hence this resulted in increased internal customer satisfaction, cost reduction and thus higher profits (Mungai, 2019).

The county government of Nyandarua have leveraged on the benefits that comes with adoption of strategic procurement practices, it was noted that sharing of information between the county government and the suppliers and constant communication with the suppliers enabled the county acquire technical expertise from the suppliers. The county also engages suppliers in project specifications where through proper engagement the county acquires intellectual capital from supplies enabling it to implement its development agenda (Wanjiru et al., 2018).

1.1.3 History of Devolved Systems of Governance in Kenya

Devolved government or devolution (also referred to as democratic decentralization) represents the transfer of power and resources to lower (sub-national) levels of government that are both (relatively) independent of national government and democratically elected. Beginning as early as Chapter Two in the 2010 constitution, "devolution and access to services" is delineated as the third of eight items defining The Republic of Kenya. In addition, Chapter Eleven of the 2010 constitution also spells out, in meticulous detail, the objects and principles of Devolved government; the nature of Devolved government (47 counties plus yet to be determined urban areas and cities); the functions and powers of these 47 county government; the boundaries of the counties; the relationships between and among county government and the national government; the rationale and manner of suspension of county government; and general issues including county assembly powers and gender balance and diversity.

According to public procurement and asset disposal act of 2015, it states that a County Treasury shall be the organ responsible for the implementation of public procurement and asset disposal policy in the county. The County Treasury shall establish a procurement function which shall implement public procurement and asset disposal procedures; coordinate administration of procurement and asset disposal contracts; coordinate

consultations with county stakeholders of the public procurement and asset disposal system in liaison with the National Treasury and the Authority; advise the accounting officers of county government entities on public procurement and asset disposal matters; co-ordinate county government monitoring and evaluation of the supply chain function of county government entities including ensuring compliance; promote preference and reservations schemes for small and micro enterprises and other disadvantaged groups, citizen contractors, women, youth, persons with disabilities, minorities and marginalized groups in public procurement at the county; promote preference and reservation schemes for residents of the county to ensure a minimum of twenty percent in public procurement at the county and administer the scheme of service for county government procurement and supply chain management officers and capacity building. In addition, the County Treasury may prescribe an institutional framework to provide for the procurement, administration and management of common user items for the county government (PPADA, 2015).

1.2 Statement of the Problem

The implementation of procurement practices has been a key difficulty for the devolved form of government (Ministry of planning and devolution, 2016). Kenya's federal government spends roughly Kshs. 234 billion on procurement each year. However, exaggerated procurement quotes cost the government up to Ksh. 121 billion every year, or nearly 17% of the national budget (KISM, 2015).

Majority of the Devolved system of government do not adhere to strategic procurement practices, for instance it was clear that there was poor contract management in Bomet county after the devolved system failed to inspect the bridge construction that costed a lot of tax-payers money and yet the bridge was substandard, the bridge that was supposed to cost Kshs.2.4 million, ended up costing Kshs 6.4million, this lead to high level of customer dissatisfaction, since the public felt that they were not getting value for their money (Kenya Law, 2019).

Another example is the case of Kiambu County, where the county administration failed to take advantage of effective negotiating practices, procuring a pipette for fertility treatment that costs Sh30 at an inflated price of Sh875 each piece (Controller of budget report, 2015). The benefits that accrue with the application of sustainability e-procurement practices are clearly not observed by Devolved Systems of Governance. For example, this other case of Nairobi county simply proves that now the department did not have to use functioning financial management and knowledge system (IFMIS), which is an e-procurement best represented to a Component Master that has necessarily an indicator price increases for all popularly used items to ensure that there have been no price rising inflation by procuring entities, thus enhancing value for money, there was clear indication that there was price inflation at the contract for supply of asphalt which was supposed to be supplied at KSh. 50,000,000 but contract was awarded at KSh. 150,000,000 (EACC Report, 2016/2017) failure of these devolved systems to adhere to strategic procurement practices has lead increase in procurement cost, on the contrary an organization that practice strategic procurement would reduce supplier base and develop long term relationships with the best suppliers hence better performance (Boyne & Walker, 2010; Ellram, 2003).

Majority of Devolved Systems of Governance do not comply to the procurement laws and regulations, mostly because of lack of qualified personnel in procurement another reason is mainly due to issues of self-interest especially by the governors in the counties (Ngigi & Busolo, 2019) an example is the case of Garissa county where the county Government went against the public procurement and asset disposal act of 2015, which states that for a procuring entity to use direct procurement the following conditions must be met; a procuring entity may use direct procurement as allowed as long as the purpose is not to avoid competition. Because the procedure is especially corruption-prone, therefore procurement is also strictly limited to; goods, works or services that are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists; cases of disaster, war, catastrophic events and unforeseeable needs in these cases; needs of

standardization and compatibility if these needs are reasonable and economic and finally for the acquiring of goods, works or services provided by a public entity provided that the acquisition price is fair and reasonable and compares well with known prices of goods, works or services in the circumstances (PPADA, 2015). The County Government of Garissa leased seven (7no) ambulances from Kenya Red Cross Society at a cost of Ksh.600, 000 per month per ambulance totalling Kshs.50, 400,000.00 for the year. However, no documentary evidence was made available to show that the procurement of the Ambulance services was competitive (Auditor's general report, 2015). A study done by Kagendo (2010) on effects of public procurement and disposal act on procurement in parastatals in Kenya found out that PPDA had improved the speed with which parastatals procured goods and services, it has also improved the competitiveness of the procurement processes among parastatals, the findings concluded that PPDA had increased the level of transparency and finally improved the quality of services and goods delivered. As a result, the purpose of this research is to examine the influence of strategic procurement practices on the performance of devolved systems of governance.

1.3 Objectives of the Study

1.3.1 General Objective of the Study

The general objective of this study was to determine the influence of strategic procurement practices on performance of the Devolved systems of governance in Kenya.

1.3.2 Specific Objectives of the Study

1. To establish the influence of strategic supplier relationships practice on performance of Devolved Systems of Governance in Kenya.
2. To determine the influence of strategic e-procurement practice on performance of Devolved Systems of Governance in Kenya.

3. To examine influence of strategic negotiation practice on performance of Devolved Systems of Governance in Kenya.
4. To determine the influence of strategic contract management practice on performance of Devolved Systems of Governance in Kenya
5. To determine the moderating effect of public procurement acts and regulations on performance of Devolved Systems of Governance in Kenya.

1.4 Hypothesis of the Study

H_{01}: Strategic supplier relationships practice has no significance influence on the performance of Devolved Systems of Governance in Kenya.

H_{02}: Strategic e-procurement practice has no significance influence on the performance of Devolved Systems of Governance in Kenya.

H_{03}: Strategic negotiation practice has no significance influence on the Performance of Devolved Systems of Governance in Kenya**.**

H_{04}: Strategic contract management practice has no significance influence on the Performance of Devolved Systems of Governance in Kenya.

H_{05}: Public procurement acts and regulations have no significant moderating effect on the Performance of Devolved Systems of Governance in Kenya.

1.5 Significance of the Study

1.5.1 Devolved Systems of Governance

The findings of the study will provide knowledge to the county supply chain officers and procurement managers in formulating policy framework on efficient and effective management of public procurement process in Devolved systems of governance. Through this study, procurement managers in the Devolved Systems of Governance will be able to apply better public procurement practices in acquiring of goods, services and works to satisfy the public requirements.

1.5.2 Research Institutions

The study will add knowledge in the strategic procurement practices literature with regard to Devolved Systems of Governance issues and from a scientific view point, this research will add to the growing body of knowledge on strategic procurement techniques. Despite the fact that several academics have previously highlighted its relevance, a literature assessment indicates that this field of inquiry is fresh and has not been explored. The majority of these investigations were carried out in industrialized nations. Researchers and academics may use this data to improve their knowledge of the impact of strategic procurement practices on county government operations.

1.5.3 Policy Makers

The central government will have the holistic understanding of Devolved systems of governance and on how they have implemented the current public procurement acts and regulations and their short limitations. The study will provide relevant information that would help the government to formulate and implement strategic procurement policies that would facilitate effective Devolved governance. Thus, this will help the central government to review its policies with impediments to allow successful strategic procurement practices in Devolved systems of governance.

1.5.4 Community

The findings of this study will furnish information to the public on how Devolved systems of governance procure goods, services and works. The public will be able to audit whether the Devolved system of governance adhere to the laid strategic procurement practices in procuring goods, services and works. This will enable the Devolved system of governance to be accountable to the public.

1.6 Scope of the Study

The research focuses on strategic procurement practices, with a particular emphasis on Kenya's Devolved system of governance. Strategic procurement is concerned with the acquisition of products and services, as well as the outsourcing of whole

operations, in order to improve long-term shareholder value. Garissa, Kisii, Nyamira, Narok, Marsabit, Murang'a, Bomet, Nairobi, Kiambu, and Homa Bay were the focus of the research. Majority of these Devolved Systems of Governance do not leverage on benefits that accrue when an organization practice strategic procurement practices neither do they comply with public procurement acts and regulations for instance it was clear that there was poor contract management in Bomet county after the devolved systems fails to inspect the bridge construction that costed a lot of tax-payers money and yet the bridge was substandard the bridge that was supposed to cost Kshs.2.4 million, ended up costing Kshs 6.4million, this lead to high level of customer dissatisfaction, since the public felt that they were not getting value for their money (Kenya Law, 2019. The study was limited to the following variables; strategic supplier relationships practice, strategic e-procurement practice, strategic negotiation practice and strategic contract management practice. This is limited to these factors since several studies show that they indeed impact performance. Supplier relationships are critical to a specific business and difference in the eyes of the final customer (Tunisini & Sebastiani, 2015). Another study on the impact of purchasing methodologies on performance was conducted by Seshadri (2001), who attempted to link how collaborative negotiation relate to performance productivity and efficiency. Another research by Bwisa and Somba (2017) on the role of procurement practices on the performance of CDF-funded projects found that contract management was widely seen as a prerequisite for project success. E-procurement service level decreases paper work and increases clerical staff productivity, according to Muhia and Afande (2014), and customer service level in e-procurement strategy leads to a shift in "users" behavior.

1.7 Limitations of the Study

There were several limitations to the research. The first constraint was that some respondents were hostile to the researcher because of the topic of the study, making it impossible for the researcher to gather data in particular workplaces. To solve this, the researcher ensured that management, such as human resource managers, were supportive of the study's findings, allowing the procurement and finance teams to provide data for research reasons. The second drawback is that the research

participants were adamant about filling out the questionnaire for fear of their personal information being revealed. However, the respondents' anxieties were alleviated by promising them that the information would be utilized for academic purposes and that a letter of authorization to collect the data from the University would be provided.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review of the study by reviewing both theoretical and empirical literature from professionals and other researchers on performance of devolved systems of governance in Kenya. A critical review is brought on board in deeply assessing reviewed literature in relation to the current study and finally the research gaps are established.

2.2 Theoretical Framework

A theory is a set of interrelated constructs (concepts), definitions and propositions that present a systematic view of phenomena by specifying relations among variables, with the purpose of explaining and predicting phenomena (Camp *et al*., 2010). Cooper and Schindler (2008) view a theory as a set of systematic interrelated concepts, definitions, and propositions that are advanced to explain and predict phenomena (facts). In this section, theories of strategic procurement practices are discussed and how they interact with the performance of Devolved Systems of Governance in Kenya.

2.2.1 The Kraljic Portfolio Purchasing Model

The Kraljic Portfolio Purchasing Model seeks to help purchasers maximize supply security and reduce costs, by making the most of their purchasing power. In doing so, procurement moves from being a transactional activity to a strategic activity (Kraljic, 1983).

According to Kraljic (1983) a firm's supply strategy depends on two factors: (1) profit impact and (2) supply risk. This model tends to advise managers to guard their firms against damaging supply interruptions and to deal with continuous technological change and economic growth. The model classifies the 'stages of purchasing sophistication' within companies. The matrix

identifies four stages: purchasing management; (2) materials management; (3) sourcing management; and (4) supply management. Kraljic (1983, p. 111) argues that supply management is particularly relevant in the case that the supply market is complex and the importance of purchasing is high.The model further proposes a four-stage approach as a framework for developing supply strategies for single products or product groups. In the first stage, a company classifies all its purchased products in terms of profit impact and supply risk. Supply risk is high when the item is a scarce raw material, when its availability could be affected by government instability or natural disasters, when delivery logistics are difficult and could easily be disrupted, or when there are few suppliers. Profit impact is high when the item adds significant value to the organization's output. This could be because it makes up a high proportion of the output or because it has a high impact on quality (Olsen & Ellram, 1997). Subsequently, the company weighs the bargaining power of its suppliers against its own power. Then, the company positions the products that were identified in the first stage as strategic (high profit impact and high supply risk) in a portfolio matrix, bottleneck (low profit impact and high supply risk), leverage items (high profit impact and low supply risk) and non-critical item (low supply risk and low profit impact). Finally, it develops purchasing strategies and action plans for these strategic products, depending on its own strength and the strength of the supply market. Three general purchasing strategies are recommended; exploit in case of buyer dominance, balance in case of a balanced relationship, and diversify in case of supplier dominance (Gelderman & Weele, 2003). This model is of paramount importance to the study , since in order to manage supply disruption through strategic supplier relationship practice, management, need to classify their purchased inputs in accordance to supply risk and profit impact of the product, by so doing they will be able to identify strategic items which will need the management to enter into long term strategic supplier relationship and also non-critical items that need the devolved systems to enter into short-term transactional kind of relationship with this suppliers, therefore by categorizing the items in that manner the a firm will save on purchasing cost since

they are going to manage and invest only on those suppliers who supply strategic items.

2.2.2 Social Network Theory

A social network is a set of organizations interlinked by a series of relationships which can be graphically illustrated by a set of nodes and lines (Chabowski *et al*., 2011). Social network theory has two key elements which include density of the completeness of the ties between the actors in a network and centrality that is the position of a company in a network and its ability to control the information flow (Sarkis *et al.,* 2011). Thus, organizations should make cross-enterprise decision-making approach in supply chain management. This theory is relevant to the study since it's an instruments of examining the structure of inter organizational relations (Carter *et al*., 2007).

In addition, social network theory can assist devolved systems of governance in Kenya to analyses and explore relationships between supply chain members at both levels, i.e upstream and downstream (Sarkis *et al*., 2011). The social network theory can also be used to validate the necessity of supplier relationship practices in supply chains and further describe the need for undertaking proactive measures in procuring goods and services in counties (Lee, 2005; Sarkis *et al.,* 2011). Adoption of social networks will enable effective implementation of strategic procurement practices in which county government will benefit from its central position to champion and monitor proactive initiatives (Vurro *et al.,* 2009) through both material/money flow alliances and sharing-of-information types of ties (Borgatti & Li, 2009). Therefore, Devolved systems of governance in Kenya should focus on their supply chain configuration design through the use of advanced information sharing mechanisms that can increase supply chain density and, in turn, its ability to relate with suppliers (Neville & Menguc, 2006; Vurro et al., 2009).

2.2.3 Technology Acceptance Theory

Technology acceptance model was founded in 1986 by Devis. He established that emerging technologies cannot improve organizational effectiveness and performance if the change has not been accepted by the users. Adoption of any innovation or especially information technology based requires investment in computer based tools to support decision making, planning communication (Kamel, 2014). However, these systems may be risky. It is therefore very critical that the systems are specified on organizational preference and logic. It is also necessary to understand that people may resist technological changes. There must be an effort to understand why people resist changes and the possible ways through which such issues can be resolved. Appropriate organizational culture must be inculcated; the change must be adopted in an incremental way accompanied by communication. Everyone involved must be informed on their roles and empowered to perform the respective roles (Kamel, 2014).

Devolved systems of governance in Kenya should adopt technology as a way of enhancing infinite and non-restricted access of information and increases market transparency and economic incorporation based on complementarities (Carayannis & Popescu, 2005). Procurement technologies such as e-procurement grasp a virtual market, open to capable suppliers (and goods) according to not mainly restrictive selection criteria, in which public administrations can choose goods and services offered by several suppliers (Szekely, 2005). E-procurement makes the whole process of procurement to be digital, using digital signature in order to guarantee transactions faster. Also, e-procurement will make devolved systems of governance to reduce administrative costs, possible broadening of suppliers base, easy access to preferred goods (pre-defined quality standards), information intelligibility and ease of comparison among goods and purchases logging and ensuing expenditure monitoring (Dobler, 2003). Thus, the counties should adopt this theory so as to improve performance, enhance productivity, effectiveness and efficiency in their operations. This theory will also bring an understanding that acceptance and

use of new technology in implementation is crucial for organizational success.

2.2.4 Dynamic Supply Chain Capabilities Theory

Dynamic supply chain capabilities theory concerns the development of strategies for senior managers of successful companies to adapt to radical discontinuous change, while maintaining minimum capability standards to ensure competitive survival (Kirchoff, 2016). Dynamic capability is the ability of an organization to purposefully adopt an organization's resource base. The theory emphasizes the ability of top management to react adequately and timely to external changes requires a combination of multiple capabilities. The main assumption of this framework is that an organization's basic competencies should be used to create short-term competitive positions that can be developed into longer-term competitive advantage. For example, industries which have traditionally relied on a specific manufacturing process can't always change this process on short notice when a new technology arrives; when this happens, managers need to adapt their own routines to make the most of their existing resources while simultaneously planning for future process changes as the resources depreciate. Three dynamic capabilities are necessary for an organization to meet new challenges: the ability of employees to learn quickly and to build new strategic relationships; technology and customer feedback, into company processes; and lastly the transformation or management of new signed contracts (Teece, 2016). This theory is important to the County government in Kenya because it requires managers to adopt different managerial skills in order to manage contracts with suppliers and other stakeholders. Supply chain managers in the county government should have the required competencies to implement predefined plans to provide a quick response with appropriate mitigation measures to settle disputes among the parties. Thus theory emphasizes the importance of procurement managers in the County government to use various strategies that are appropriate to the circumstances of the organization (Schuler & Jackson, 2005; Dyer, 2005).

2.2.5 Game Theory

Game theory (Craighead, 20016) is the study of how people make choices, and it is an important skill to have in the current corporate climate, particularly when it comes to the art of bargaining. Game theory, according to Craighead (2016), is the scientific modeling of interactions between diverse parties, each pursuing their own goals. The parties engage and make decisions based on what they believe and do about each other. Economists refer to this kind of interaction as a 'ply-by-ply' game, in which each participant is attempting to discover the best approach. Game theory has two applications in business: winning the game and creating the game. Many everyday scenarios use game theory: consider a poker game where the next call, raise, or draw move is determined by how the player anticipates opponents will react.

A buyer may create a similar scenario by individually negotiating with two vendors. For a commoditized product, assume they have equivalent financial strength and cost structures. At a limited profit margin, the lowest price each is prepared to offer will be the same. If the offers do not converge, the buyer's strategy is to keep negotiating by gradually raising the floor price. If the bids do converge, it means the prisoner's dilemma has been resolved. Even when supply market circumstances and pricing structures are flexible, the bid pattern assists the buyer in price discovery. Of course, real life is not always as straightforward as the game suggests. Instead, two identical offers might indicate collaboration between the vendors. Game theory will not apply if they are members of a recognized cartel since it works best in "oligopolistic" conditions (Hayes, 2022).

Running a reverse auction in numerous rounds is one technique to identify a probable cartel. Smart suppliers may frequently see through the nature of your bargaining, according to Singh (2010), and modify their price structures appropriately. Changing the negotiating script at each level is critical. Using game theory, even the most efficient sourcing business may up its game and gain quick payback. The idea must be applied to bidding matrices and expenditure profiles by category by buyers. Buyers and sellers will benefit from mastering these techniques in a variety of negotiations. All decision-making procurement situations, including complicated,

cross-functional sourcing efforts, yearly pricing discussions, make-or-buy choices, and outsourcing initiatives, benefit greatly from the use of game theory (Mulama, 2012). This notion should guide county governments in their dealings with vendors.

2.3 Conceptual Framework

A conceptual framework is a presenting model in which a researcher conceptualizes or reflects the links between variables in a study and graphically or diagrammatically depicts the relationship (Orodho, 2008). A variable, according to Kothari (2009), is a term that may have several quantitative values, such as weight, height, or wealth. Independent factors, moderating variables, and dependent variables will be used to classify the study's essential variables. This research will examine how strategic supplier relationships, strategic e-procurement, strategic negotiation, strategic contract management, and the influence of regulation on strategic procurement practices are generated from the theories described and literature from various academics.

This is limited to these factors since several studies show that they indeed impact performance. Supplier relationships are critical to a particular company and differentiation in the eyes of the final customer (Tunisini & Sebastiani, 2015). Another study on the impact of purchasing strategies on performance was conducted by Seshadri (2001), who attempted to interconnect how collaborative negotiation relate to performance productivity and efficiency. Another research by Bwisa and Somba (2017) on the role of procurement practices on the performance of CDF-funded projects found that contract management was widely seen as a precondition for team effectiveness.

Muhia and Afande (2014) found that e-procurement service level significantly reduces paper work and increases the productivity of clerical staff. They also found that customer service level in e-procurement strategy changes "users" behavior, which makes them more productive. Lieson and Farrington are the names of two people (2006). Supposed that the county government would be able to negotiate a fair price for the item's stated quality and get it delivered in a reasonable amount of time. They would also figure out how to package it, how to ship it and how to pay for

it. They would also figure out how often to report back on how things are going and what kind of tests they would use. According to all this studies it's clearly evident that the above strategic negotiation practice, strategic supplier relationship, strategic e-procurement practice and strategic contract management clearly influence the performance of the organization.

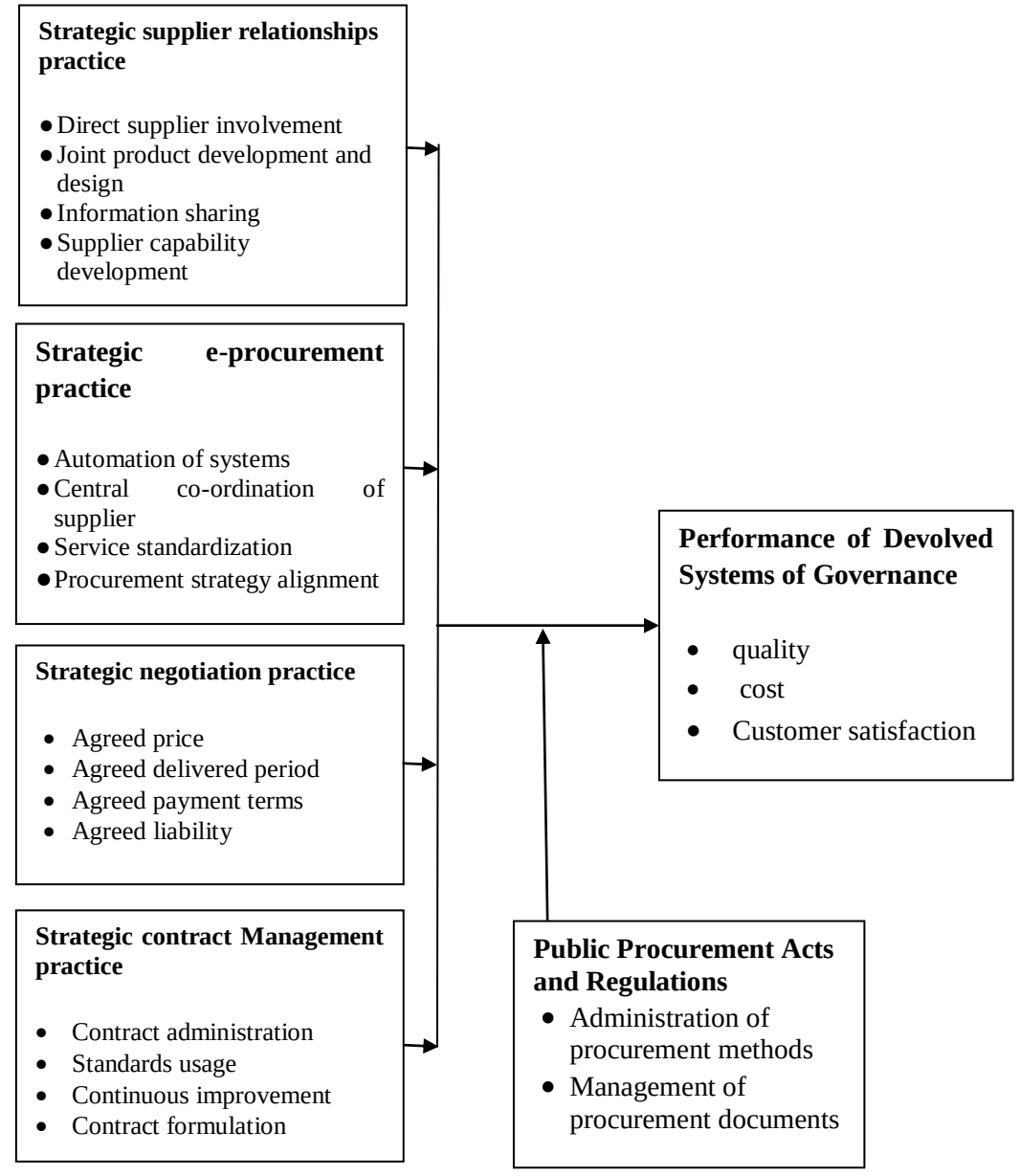

Figure 2. 1: Conceptual framework

2.4 Review of Literature on Variables

2.4.1 Strategic Supplier Relationships Practice

The act of two or more chain members working together to generate a competitive advantage by exchanging information, making joint choices, and sharing gains that emerge from better profitability of serving customer demands than acting alone is known as strategic supplier partnership (Simatupang & Sridharan, 2002). Nowadays, the company's interactions with suppliers are more complex than basic transaction exchanges conducted in an aggressive manner. Instead, firms' supplier connections have been progressively changed into a diverse and defined collection of business partnerships that are managed in relation to the supplier base, with a long-term view (Tunisini & Sebastiani, 2015). Many supplier partnerships are complicated in terms of interactions since they include knowledge and information transfers, mutual adjustments, and long-term investments, all of which are managed strategically (Cousins & Spekman, 2003).

People who work for the company play a big part in supporting the company's competitive advantage and making it stand out from its competitors in the eyes of its customers (Tunisini & Sebastiani, 2015). Also, supplier relationships play both a rationalization and a development role. They help the company be more efficient and make small sacrifices for its customers, but they also help the company become more innovative and capable, which helps its customers see more benefits from the company (Gadde et al., 2010). As a result of the strategic value of supplier relationships, procurement has become more and more important in the company. This department is getting more and more strategic as it develops and manages critical capabilities that help the company stay ahead of its competitors (Monczka et al., 2005).

Furthermore, the procurement function has been altered by the firm's supplier ties, making it accountable for a number of complex procedures requiring intra-organizational linkages between the procurement processes and other corporate units (Bals et al., 2009). Given that suppliers are a fundamental resource, procurement is important for development and research and development processes. This means that

purchasing function and industrial production must work together, as well as acquisition and R&D, procurement is in charge of saving money because of the costs of having a good relationship with a supplier (Tunisini & Sebastiani, 2015).

Furthermore, customer value is determined by how company suppliers participate in value creation and delivery for customer satisfaction. As a result, the interaction between purchasing and marketing appears to be both inevitable and beneficial (Sheth et al., 2009). Such contact is especially important when firms acknowledge that supply chain activities satisfy customers and that customers are the ones who activate the supply chain and to whom supply network processes are geared (Ivens et al., 2009).

Companies that successfully integrate their customer and supply chain activities, in particular, obtain competitive advantages by distinguishing not just client-driven goods and services, but also the underlying delivery processes (Jüttner et al., 2007). As a result, producing customer value requires a thorough integration of demand-driven and supply-driven operations (Esper et al., 2010). Due to the shared development, transmission, interpretation, and application of real-time consumer demand as well as continuing supply capacity restrictions, integrating demand and supply chain activities helps firms generate and deliver higher customer value (Esper et al., 2010).

2.4.2 Strategic E-procurement Practice

"Strategic E-Procurement" is the process of using electronic methods over the internet to do things like find out what you need, find a company to bid on the job, make payments and keep track of contracts (Corsi, 2006). There are many different tools used in e-procurement, like e-sourcing, e-tendering, e-informing, and e-reverse auctions. Web-based enterprise resource planning (ERP), e-collaboration, and e-sourcing are also used (de Boer et al., 2001). In the public sector, e-procurement is used because of the many benefits. Eyholzer and Hunziker (2000), the Aberdeen Group, and Arthur Andersen Business Consulting all said that companies can decentralize their operational procurement processes and centralize their strategic

procurement processes because e-procurement systems make the supply chain more transparent.

Prior to e-procurement, strategic procurement had to deal with a lot of administrative labor, such as individual transactions, transforming buy requests into purchase orders, and ensuring that invoices were properly allocated. Strategic components of the process are usually overlooked, with the buyer having little control over supplier selection and acquired items. The goal of using Internet technology in procurement is to achieve quicker and more effective operational procurement procedures that bypass the buying department and allow those individuals to focus on more strategic activities (Giunipero & Sawchuk, 2000). Requesters directly look for and pick items in computerized catalogues that have been approved and negotiated in advance by strategic procurement.

In recent years, e-procurement in the public sector has exploded. Political subdivisions must provide arrangements for the acceptance of electronic bids under Act 590 of Louisiana's Regular Legislative Session of 2008. Internationally, e-procurement in the public sector is gaining traction. As a result, efforts have been launched in Singapore, the United Kingdom, the United States, Malaysia, Australia, and the European Union. E-procurement programs are often integrated into a country's wider e-Government efforts to better serve residents and companies in the digital economy. Many government agencies have adopted the use of computers to manage their procurement processes, resulting in many advantages. In Kenya, for example, changes began with the Public Procurement and Disposal Act of 2005, which saw the establishment of the Public Procurement Oversight Authority (ADB, 2019).

The majority of counties have implemented e-procurement. Despite the fast acceptance of e-procurement, county governments have faced a variety of problems related to its introduction and implementation. One is that most county governments exclusively use one kind of e-procurement. Furthermore, despite overwhelming data demonstrating the benefits of e-procurement technologies, proprietary systems like EDI survive and must be integrated in a County government's entire e-procurement

architecture. To do so, county government must understand the key success elements for adopting e-procurement strategies, procedures, and technologies.

2.4.3 Strategic Negotiation Practice

During negotiation, both the buyer and the seller plan, look at, analyze, and talk about the information they have to come up with a good deal (Lysons & Farrington 2006). Negotiation is when two or more groups come together to talk about their common and conflicting interests in order to come up with a deal that both sides will be happy with (Black, 2009). A negotiator balances things so he can get what he wants and get it in the best possible way (Forsyth, 2009). This means that the government of a Devolved system should set clear goals before they start talking to people. According to Lysons and Farrington (2006), the County government needs to be aware of a lot of different things when it comes to negotiations. Through negotiations, the County government would find out what the item would cost, how long it would take to get it, how it would be packaged and transported. They would also figure out how often they would get progress reports, what kind of tests they would do, and how often they would inspect the item. They would also figure out how often they would get bonuses, discounts, or other incentives.

Before beginning to negotiate, the county government should determine the Best Alternative to a Negotiation Agreement (BATNA). This is because commercial conversations are continuously shifting, giving the impression that something is always going on. The negotiation flow is influenced by a number of elements. Time, atmosphere, personalities, knowledge, personal difficulties, and hierarchy are the most common aspects that influence how a negotiation plays out (Metty et al., 2005). According to Black (2009), businesses should use one of two negotiating tactics to achieve their goals. These methods to negotiating are competitive and cooperative. In a competitive negotiation, both people are trying to get the best deal for themselves, which usually means that the other person's goals don't play a role in the deal (Black, 2009). They should use this approach when their interests and the other parties are very clear, the other party wants to take a win-lose approach, they don't need a long-term relationship, and the County government is strong enough to win. There is less

conflict in co-operative negotiations. The goal is to come up with a solution where everyone is happy (Black, 2009). This usually leads to the best results because there is a lot more communication between the parties.

Furthermore, negotiating strategies should take into account a variety of factors and be capable of maximizing both buyer and supplier interests (Bui et al., 2001). In this regard, Warkentin et al. (2001) emphasized the importance of structured discussions in enterprise (B2B) exchanges, and tried to suggest that mobile payments should facilitate discussions between customer and supplier. Buyer-supplier discussions normally include examining, planning, and analyzing contract development methods in order to reach acceptable terms of the contract in the form of settlements or agreements (Dobler et al., 1984). Furthermore, scenario preparation is a key element in the negotiating process (Metty et al., 2005). Negotiations frequently result in both buyer and supplier making concessions in order to achieve acceptable levels of price and quality, as well as the product or service being delivered reliably and on time (Reich, 1987). Several goals must be addressed in all procurement conversations between customers and suppliers, according to Dobler and Burt (1996). As a consequence, a firm may devise alternate scenarios in order to engage in successful negotiating methods with diverse suppliers, resulting in increased efficiency and performance.

2.4.4 Strategic Contract Management Practice

The approach to managing contracts with suppliers, partners, customers, or staff is known as contract management. Contract management include negotiating contract terms and conditions and ensuring that they are followed, as well as recording and agreeing on any modifications that may occur throughout the implementation or execution of the contract. Contract management, according to Hotterbeekx (2013), is the process of ensuring that all parties to a contract completely fulfill their duties in order to accomplish the contract's operational objectives and the customer's strategic business goals. Contract management is also defined as the process through which both contracting parties fulfill their duties in order to satisfy the contract's goals (Cruz & Marques, 2012).

Contract management includes contract communication, contract administration, monitoring performance, relationship management, and contract renewal or termination, according to the Chartered Institute of Purchasing and Supplies (CIPS, 2012). A good contract management function may help an organization's profitability, compliance, and risk management (Woolcock, 2011). However, ineffective administration of contracts may lead to poor operational control, low customer satisfaction, high risks and undesirable expenses (Nguyen, 2013). (Nguyen, 2013). According to a research done by Woolcock (2011), inefficient project contract management results in large financial losses. Effective contract administration and monitoring improves the quality of goods and services while lowering procurement costs, meeting three general goals: high-quality goods and services, timely delivery of goods and services, and cost-effectiveness (Rotich, 2013). Contract management, according to Chepngetich, Waiganjo, and Karani (2016), leads to project completion within budget and time constraints.

To sum up, the goal of contract management in procurement is to make sure that: services are always delivered on time and to a high standard, in accordance with the contract, and payments or penalties are made accordingly; contractual responsibilities and risk allocations stay in place, and the parties' responsibilities and risks are managed efficiently; changes in the outside world, such as both risks and opportunities, are spotted and acted on quickly; and the agreement is kept up to date. Monitoring of the service provider's performance against the output specification is done to make sure that the financial consequences of any failure to perform have been taken into account and that appropriate action has been taken. Payment for the service is conditional on the quality of the service provider's performance; services are delivered in accordance with the contract; and continuous improvement in contract performance and service delivery is kept up (EPEC, 2014).

Likewise, contract management is to obtain the services under the contract and thereby maximize value for money (contract management guide, 2003). A study conducted by Chepng'etich, Waiganjo, and Karani, (2016), found out that effective contract management practice in Kenya Power and Lighting Corporation has led to completion of projects within set budget and period, has enabled the organization

achieve competitive advantage and has led to reduction on supply chain costs. Thus, a firm with weak contract management practice encourage corruption and lack of transparency which compromise the ideal of service quality and led to poor execution of contracts which in turn violates the principle of value for money (Burke, 2012).

2.4.5 Public Procurement Acts and Regulations

In countries that are more developed, public procurement is done in accordance with international rules (UNCTAD, 2009). Among other things, the World Trade Organization's Agreement on Government Procurement and regional agreements like the European Union or the North American Free Trade Agreement have rules about government procurement. Public procurement in most developing countries, on the other hand, does not meet these international standards (World Bank, 2011). Furthermore, in the last few years, there has been a lot of pushback against reform. This is partly because of rules set by the World Bank and other donor organizations as conditions for receiving development aid, but mostly because the inefficiencies of the systems that haven't been changed have become clear (Kluwer, 2000).

Kenya's public procurement regulations have recently undergone and continue to undergo major changes (Ombaka, 2009). Regulations have been put in place for domestic purposes, with individual governments using them to promote domestic goals (Otieno, 2004). For example, Kenya's public procurement system has evolved significantly, from being devoid of regulations in the 1960s to being governed by Treasury Circulars in the 1970s, 1980s, and 1990s. The Public Procurement and Disposal Act (PPDA) of 2005, the Procurement Regulations of 2006, and the Public Procurement and Asset Disposal Act of 2015 have set new standards for public procurement in Kenya.

Getting value for money, preventing corruption, promoting industrial or social policies in developing market economies, and also as a method of improving their existing market-based procurement systems supported by the UNICITRAL Model Law are among the most important reasons for Kenya's public procurement system transformation (Thai, 2004). Various foreign organizations that provide assistance to

governments have adopted official procurement regulations, such as the European Union (Trionfetti, 2000). A good public procurement system may improve accountability by making processes explicit and allowing compliance to be verified. To ensure effective administration of public expenditures, this Act establishes processes for acquisition and disposal of unserviceable, outdated, or excess goods and equipment by public bodies.

The institutional framework under which procurement experts and program managers conduct their approved and financed procurement programs, projects, or activities, according to Thai (2001), is the procurement rules or laws created by policymakers. The Public Procurement and Disposal Act of 2005 and the Public Procurement and Asset Disposal Act of 2015 in Kenya established mechanisms for public organizations to purchase and dispose of unserviceable, outdated, or excess goods and equipment. The Act established three independent bodies to regulate the act; National treasury, the Public Procurement Regulatory Authority (PPRA) and the Public Procurement Administrative Review Board (PPARB). In addition, Public Procurement and Asset Disposal act of 2015 was enacted 1st January 2016 which particularly included the role and the responsibility of County government with respect to Public Procurement and Asset Disposal act of 2015. These regulations and acts give the conceptual framework in which procurement of goods, services and works should be performed right from user identification, specification development, supplier sourcing and selection, contract management, expediting, contract execution and delivery to receiving and disposal.

2.4.6 Performance of Devolved Systems

Good governance requires sound public procurement regulations and procedures (KIPPRA, 2006; World Bank, 2002). Procuring entities should achieve the government's commercial, regulatory, and socio-economic objectives in a manner that is relevant to the procurement demand in an ideal procurement system, which focuses on effectiveness. According to Wittig (1999), any reforms in the public procurement system may have a direct and positive impact on a country's overall economic status.

According to a poll of consultants conducted by Purchasing Magazine, companies use procurement strategy to achieve a variety of goals. They included obtaining the lowest feasible purchase price, locating high-quality product/service suppliers, streamlining buying and supply management procedures, and lowering transaction costs. Companies also utilize tactics to cut transaction costs, purchase price, buy order processing cycle durations, and time-to-market cycles, according to a top consultancy company (www.aberdeen.com 2003). To assess the performance of the Devolved Systems of Governance, this research will use the lowest buy price, highest quality products/services, streamlined procurement procedures, procurement order processing cycle times, and reduced transaction costs.

2.5 Empirical Review

Audi (2015) conducted research on the impact of strategic procurement Practices on procurement function performance across multinational businesses in Kenya. Contract management council, proper staff training, innovation use, supplier management and total cost of ownership (TCO), identified levels of control, social responsibility and social, manufacturer alliance, contractual arrangements under procurement processes, company inventory, and how they influenced the quality of service delivery of foreign enterprises in Kenya were among the practices captured. The research predicted that strategic procurement strategies had a favorable impact on a company's service delivery. The procurement officers of the 60 responders from the target population of 70 provided empirical data. Only 27% (27%) of the difference in procurement performance could be explained by the 10 procurement techniques, according to the study's primary results. The report went on to say that present procurement methods should be improved and enhanced in order to boost organizations' procurement performance even further.

Seshadri (2001) investigated the impact of buying methods on performance, with the goal of establishing a relationship between how cooperative negotiating relates to performance effectiveness and efficiency. The findings showed that buying performance may be improved by employing a cooperative strategy for negotiating with suppliers and sustaining long-term collaborative relationships with a few

suppliers. Collaboration and working with a small number of suppliers were highlighted as significant efficiency drivers, whereas collaborative contact focused at establishing long-term connections was indicated as a key effectiveness driver. As a result, efficiency rises as procurement costs fall, and effectiveness rises due to primarily intangible procurement features that lessen buyer cognitive dissonance.

Dorée (2016) discusses procuring planning process: (re-)designing public transport infrastructure project alliances, with an emphasis on procurement development procedures, in order to assist public customers in improving the contribution that procurement provides to performance. The findings suggest that rather than being purposefully planned, progress in the development of the alliancing procurement technique has been more evolutionary. As a result, this procurement pattern raises concerns regarding the overall approach for implementing the notion of project alliancing. The overall strategy, as opposed to the procurement strategy created for a particular project, refers towards the building and engineering design process over a number of projects.

Somba and Bwisa (2017) looked at how procurement practices affect the performance of projects funded by the constituency development fund in Machakos County, Kenya. They looked at variables like stakeholder management, supply chain risk management, contract management, Supplier Appraisal, and found that contract management had the biggest impact on the performance of CDF-funded projects. Regular communication with stakeholders was ranked as the most effective way to communicate.

Noor, Guyo and Iravo (2013) on the general objective of this study was to critically examine the role of e-procurement strategies on the procurement performance in state Corporations in Kenya. The specific research objectives were to establish whether customer service level on e-procurement strategy affect procurement performance in state Corporations in Kenya; to evaluate how procurement cost on e-procurement strategy affect procurement performance in state Corporations in Kenya; to identify whether inventory optimization on e-procurement strategy affect procurement performance in state Corporations in Kenya; to find out whether

buyer/supplier collaboration in e-procurement strategy promotes procurement performance in state Corporations in Kenya and finally to determine if compliance and auditability of e-procurement strategy enhances the procurement performance in state Corporations in Kenya. Study findings revealed that services offered in their departments as efficient and effective; that E-procurement service level significantly reduces paper work and increased productivity of clerical staff and that customer service level in e-procurement strategy leads to change in "users" behavior; that procurement automation reduces procurement cost to a great extent; that E-procurement software system reduces time and effort required to complete purchasing transactions and hence reduced procurement cost; that the cost of laying IT infrastructure is dependent on the factors that influence procurement cost; that procurement cost reduction integrates organizations with key tools cost data to make decisions; that high levels of inventory/stock adversely affect profitability of the corporation; that inventory optimization was affected by dynamic pricing policy; that top level management contributes to policies on ordering and replenishment of inventory in their organizations; and that that real time.

A case study of the Kenyan national police service was used by Waiganjo and Wakabira (2014) to show how procurement practices affect the performance of corporate organizations in the country. The variables that were looked at in this case study were procurement planning, procurement controls, procurement, and staff training. Kenya's National Police Service does well when it has good procurement planning, controls, monitoring, and training for its employees about how to do it right. This study went even further and said that existing procurement practices should be looked at and all suggestions for improving organizational performance should be implemented.

There was a study by Orwa and Muiruri (2015) that looked at how strategic procurement strategies affected the performance of microfinance banks in Kenya. The variables were employee training and outsourcing as well as supplier relationships and the use of information technology. People who work for a microfinance bank need to be trained, outsource work to other companies, manage supplier relationships, and use information technology to do well. There should be

specialized employee training for each microfinance bank, the procurement process should be integrated with IT, and the supplier relationship should be kept up to date to make sure there is a good relationship between the supplier and the microfinance banks in Kenya.

A study by Muhia and Afande (2014) looked at whether or not state corporations in Kenya used an e-procurement strategy and how well they bought things. They looked at the Kenya Revenue Authority. The findings of the study show that electronic communication has a positive effect on procurement performance at the Kenya Revenue Authority because it leads to quick responses and real-time information. The goal of e-procurement is to let the purchasing department focus on more value-added tasks, like making sure customers are happy, rather than on things like paperwork. People used to think that e-procurement was a bad thing, but now it's a good thing because it can help a business be more competitive. The findings also show that Kenya Revenue Authority procurement performance was better when orders were placed electronically.

The results also revealed that several advantages from their e-procurement programs have been obtained, including but not limited to: process efficiencies leading to yearly savings, capacity to interface directly into existing systems, such as ERP, and reductions in procure-to-pay cycle lead times. The results also show that self-invoicing on behalf of customers may boost profits, and that month-end reconciliation can eliminate the issue of ordering the incorrect things or offering the wrong pricing since business procedures have been standardized and everyone is using the same catalog. The internet has made procurement more effective and efficient in the sense that acquiring products and services by companies has become simpler, quicker, and less expensive thanks to e-procurement. The Kenya Revenue Authority's procurement performance was impacted by customer service. To be genuinely successful, every aspect of an organization, each department, each activity, each person, and each level must operate together effectively, since each person and action influences and is influenced by others. Kenya Revenue Authority's procurement performance was favorably impacted by the cost of E-Procurement. Any firm looking to lower its operating overheads cannot overlook the amount of

money that may be saved by using e-procurement. The proper use of information technology in an organization, along with employee training in system operations, may significantly lower an organization's operating costs.

Effects of procurement policies on organizational performance in the public sector: a case study of the East African Portland Cement Company Limited by Kipkemoi (2017). The study's findings demonstrated the relevance of the buying function to the company. Procurement success is crucial to an organization's success, hence supplier selection is a critical role. The research also indicated that continuous development of procedures throughout the supply chain has resulted in cost savings and improved relationships, which has minimized disputes in the supply chain, and when they do arise due to unavoidable circumstances, they are resolved amicably. Sharing information across the supply chain has improved long-term collaboration and coordination, allowing the company to reach higher levels of efficiency and competitiveness than is possible with traditional supplier relationships.

Kilonzo (2014) discusses procurement best practices and organizational performance in the context of Cadbury Kenya Limited. Strategic procurement planning, performance measurement, performance metrics, use of cooperative contracts, transparency, risk management, ethical procurement, procurement policy manual, performance management, and performance based contracting are among the best procurement practices, according to his research. According to the findings, the organization has implemented procurement best practices that were followed while making buying choices. The research also found that the organization prioritized performance via procurement best practices in order to achieve price variance, effective contract usage, inspiration management, increased procurement personnel capabilities, improved procurement cycle time, and effective payment processing time. Building supplier connections, team-based procurement techniques, and correct use of technology are all procurement best practices that are followed when making corporate buying choices, according to the report. According to the report, Cadbury (K) Limited management should ensure that excellent procurement practices are prioritized and that a robust procurement strategy is in place to guarantee compliance with all applicable guidelines. When it comes to offering services, management must

address the problem of procurement best practices, since they have directly benefited businesses' bottom lines. Finally, the research suggests that firm resources be allocated to procedures that improve the operation of optimal procurement processes in order to generate and maintain profitability.

2.6 Critique of Existing Literature Relevant to the Study

Despite the existence of studies in strategic procurement practices in Kenya, only a few such as Ogutu and Were (2013) conducted in Devolved systems of governance. Ogutu and Were (2013) conducted study on the perception of regulation on procurement process of Devolved systems of government in Kenya: a case study of the county of Kajiado. The study adopted a descriptive research design to gather quantitative and qualitative data, target population of 595 employees of Kajiado County Government and sample size of 119 was drawn from all cadres of staff, the populations were regarded homogeneous. Descriptive analysis and regression analysis was used to establish the relationship between the study variables. The study found out that accountability, ICT adoption, operating procedures, affects the procurement process and ethics of Devolved Systems of Governance in Kenya to a great extent. But this study failed to address strategic procurement practices and how it influences the performance of Devolved government. Also, the study scope was narrow because it covered only one County government and thus the study finding may not be generalized in all 47 counties.

A study by Mbae (2014) looked into how the public procurement law in Machakos County, Kenya, affects how well the county government does its job. The study used a descriptive research design and primary data to get the information from the people who took part in it. The findings concluded that there is more transparency among government offices, more efficient use of funds in County Government operations, better quality projects done by the County, and more room for resolving procurement disputes at the County because of the law. The research also discovered that the procurement process is influenced by the duration, degree of ICT, and intricacy of the items being obtained. Political factors, unethical activities, a lack of openness and accountability, and procurement employees' dishonesty all had an impact on

procurement procedures, according to the report. The study concludes that the procurement law has a significant impact on Machakos County's procurement performance, and that the county government faces a number of challenges that have an impact on the county's procurement performance. However, the emphasis of this research was on the impact of public procurement on the performance of county governments.

Oyuke and shale (2014) in their study on the role of strategic procurement practices on Organizational Performance; A Case Study of Kenya National Audit Office County using descriptive survey research design, established that majority of the employees were not well trained on records management, firm had a cost management programme in place, management was committed to supplier relationship and management made some efforts to encourage adherence to legislative procurement procedures. However, the study failed to address key strategic practices such as negotiations and e-procurement practices. In addition, the study focused only on two variables i.e dependent and independent variables. The study did not use moderating variable to check its effect on the performance of organization.

A study by Talluri, Vickery, and Narayanan (2008) was based on their research on optimization models that can help buyers and suppliers negotiate by taking into account a lot of different factors and how they work together. The study divided suppliers into those who were efficient and those who were not. The study suggested that performance negotiated settlement strategies were found when it came to cost, effectiveness, and service quality. However, this study only looked at buyer-supplier talks. Raymond (2008) looked into the use of comparing to improve this same effectiveness of public procurement cycle. In Sri Lanka, the researchers looked into how hard it is for public sector employees to separate the everyday purpose of government from of the political factors of its national officials. The study found that government procurement systems need to be changed to improve personal responsibility, accountability, good value, professional employee, and integrity. However, the research project had a big problem because it only looked at Sri Lanka. People in other countries like Kenya might be able to use Sri Lanka's research more

if they learned from their own experiences. Another thing that was not covered in the study was the use of business strategy procurement system as a way to improve County performance.

A study by Murray (2009), looked into how public procurement could help the UK get out of the global economic downturn and speed up the economic recovery. The study used a secondary research method to get information from the local government procurement. The study found that the British local government procurement strategy stayed mostly the same as it was before the recession. There is a good chance that current best practices will slow down the economy, and a short-term change in procurement strategy is needed. However, the economic recession is still going on, so the secondary research could also be skewed by self-selection bias. Also, the study didn't talk about important procurement best practices like negotiation, collaboration, and contract management, which are important to keep in mind.

2.7 Research Gaps

Too far, practically all of the study on strategic procurement techniques has been focused on the industrialized world. However, there is reason to believe that the majority of public procurement in most developing nations fails to satisfy international standards (World Bank, 2011). For example, public procurement in affluent nations is governed by international agreements (UNCTAD, 2009), but public procurement in underdeveloped countries such as Kenya is undergoing considerable changes.

Furthermore, research done in Machakos County by Mbae (2014) on the impact of public procurement legislation on county government performance found that the county government has a variety of problems that adversely impact procurement performance. A research should be done to uncover these issues, according to the study. In addition, literature suggests that theory is seldom used in strategic procurement practices study. The capacity to grasp the domain of strategic procurement processes and associated factors, as well as the linkages between them, may have been restricted due to a lack of theoretical application. It also makes it

difficult to extrapolate study results from one environment to another. As a result, it's critical that the literature on strategic procurement methods makes more use of theory to better comprehend the issue.

Equally, a study by Oyuke and shale (2014) on the role of strategic procurement practices on Organizational Performance: A Case Study of Kenya National Audit Office County failed to address key strategic practices such as negotiations and e-procurement practices. In addition, the study focused only on two variables i.e dependent and independent variables. The study did not use moderating variable to check its effect on the performance of organization. In addition, the findings of majority reviewed literature are based on qualitative and therefore lack quantitative methods to validate and prove theoretical concepts.

One more study on procurement best practices and organizational performance: a case study of Cadbury's Kenya limited. Kilonzo (2014) did this one. The researcher identified procurement best practices include strategic planning, performance measurement and use of cooperative contracts; risk management; ethics in procurement; procurement policy manuals; performance management; and performance-based contracts. The research design adopted was a case study because the unit of analysis was one organization, and it was also a private company.

Similarly, Transparency International (2016) rated Kenya 145th out of 176 countries on the global corruption index over the previous 10 years, claiming that dodgy procurement agreements have cost Kenya billions of dollars. According to a survey done by the Ethics and Anti-Corruption Commission (2015), corruption, poor service delivery, tribalism, sloppy project execution, and money misappropriation are all prevalent in the counties. As a result, the purpose of this research is to examine the influence of strategic procurement practices on the performance of devolved systems of governance in Kenya.

2.8 Summary of Literature Reviewed

This chapter examines the relevant literature as well as the extensive debate over strategic procurement practices. A conceptual framework has been presented in the

examined literature to conceptualize or express the connections among variables in the research and to demonstrate the relationship diagrammatically. Because they are the most evaluated in the literature, several of the variables utilized in the research are considered to be the best strategic procurement techniques; strategic supplier relationships, strategic e-procurement, strategic negotiation and strategic contract management as independent variables. On the other hand, the study used performance of Devolved Systems of Governance as dependent variable. Procurement acts and regulations were also included as a moderating variable in the research, which mediates the links between the independent and dependent variables. Furthermore, the research used the lowest purchase price, high quality products/services, streamlined procurement procedures, procurement order processing cycle times, and lower transaction costs to assess the effectiveness of Kenya's devolved systems of governance.

Equally, the study reviewed literature relating to the independent variables and how it influences performance of Devolved Systems of Governance with their various measurements metrics. With regard to public procurement acts and regulations, the literature reviewed showed that public procurement is carried out basing on these acts and regulations. Public procurement acts and regulations provide guideline on how procurement is executed in public entities. For example, public procurement acts and regulations set out the procurement procedure when undertaking procurement of goods, services and works in public entities. Thus, public procurement acts and regulations moderate the relationships between strategic procurement practices and performance of Devolved Systems of Governance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a systematic description of the methodology that was used to conduct the research. It comprises sections on research design, population, sampling frame, sample and sampling technique, instruments, data collection procedure, pilot test, data processing and measurement variables.

3.2 Research Design

3.2.1 Research Philosophy

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used (Galliers, 1991). The study also was guided by an epistemological research philosophy. Epistemology in a business research as a branch of philosophy deals with the sources of knowledge. Specifically, epistemology is concerned with possibilities, nature, sources and limitations of knowledge in the field of study. There are four important aspects of epistemologies; pragmatism, realism, interpretivism and positivism (Dudovskiy, 2018). This study embraced a positivist research philosophy which is an epistemological position. Positivists believe that reality is stable and can be observed and described from an objective viewpoint (Levin, 1988), i.e. without interfering with the phenomena being studied. They contend that phenomena should be isolated and that observations should be repeatable. This often involves manipulation of reality with variations in only a single independent variable so as to identify regularities in, and to form relationships between, some of the constituent elements of the social world. Predictions can be made on the basis of the previously observed and explained realities and their inter-relationships. Question of what is, or should be regarded as acceptable knowledge in a discipline is the main focus of epistemology, or the study of how knowledge develops

(Bryman, 2012). Epistemology is categorized as descriptive where one can describe the philosophical position than can be discerned in research (Bryman & Bell, 2007).

3.2.2 Research Design

A research design is the structure of research. Orodho (2003) defines it as the scheme outline or plan that is used to generate answers to research problems. Newing (2011) states that the term 'research design' is used both for the overall process described above (research methodology) and also, more specifically, for the research design structure. The latter is to do with how the data collection is structured. According to Lavrakas (2008), a research design is a general plan or strategy for conducting a research study to examine specific testable research questions of interest.

This study adopted a mixed research design that is cross-sectional survey and longitudinal research design using both quantitative and qualitative approaches. This design is appropriate because it brings about a strong causal effect magnitude between independent variable and dependent variable of research at a specified period in time. The study adopted longitudinal research design especially under the dependent variable, since the study was interested in measuring and comparing performance for the previous five years. According to Mugenda and Mugenda (2003), quantitative approach has long been viewed as an old way of scrutiny in both areas of research and evaluation. Quantitative approach emphasizes on methodology, procedure and statistical measures to test hypothesis and make a forecast. Qualitative research is important in examining information a structured manner so as to arrive to a meaningful conclusion and suggestion on a group setting and individuals who depict those features (Berg, 2001). Cross-sectional survey design, contrarily, is helpful on hypothesis formulation and testing the analysis of the connection between variables.

3.3 Target Population

Zikmund, Babin, Carr, and Griffin (2012) define population as the large collection of all subjects from where a sample is drawn. The target population for this study was 47 Devolved Systems of Governance. The researcher choose the Devolved Systems of Governances as the target population because majority of these Devolved Systems of Governance do not adhere to procurement laws and strategic procurement practices, for instance it was clear that there was poor contract management in Bomet county after the devolved systems fails to inspect the bridge construction that costed a lot of tax-payers money and yet the bridge was substandard (Kenya Law, 2019). Another report by the controller of budget (2015) revealed how Devolved Systems of Governance procured a pipette for artificial insemination that costs Sh30 at an inflated cost of Sh 875 per piece, it was clear indication that this Devolved Systems of Governance didn't leverage on benefit that comes with strategic negotiation, Devolved Systems of Governance were further blamed of neglecting development as a priority but instead, they put money where it can be siphoned off. The report further stated that the oversight over public expenditure in Devolved Systems of Governance have lost meaning in most Devolved Systems of Governance, it against all this issues that the researcher choose Devolved Systems of Governance as the target population. The respondents were specifically employees working at procurement and finance department, the choice of respondents was motivated by the fact that procurement employees and finance employees work together especially when approving payment of supplier, hence finance employees are conversant with different strategic procurement practices hence they know when the organization is observing or not.

3.4 Sampling Frame

A sampling frame is a tally of all elements where by an illustrative sample is extracted for the justification of research. In this study, the sampling frame was a list (47) counties namely; Garissa, Kisii, Nyamira, Narok, Marsabit, Murang'a, Bomet, Nairobi, Kiambu, Homa Bay, Baringo, Bungoma, Busia, Elgeyo Marakwet , Embu, Isiolo, Kajiado, Kakamega,

Kericho, Kilifi, Kirinyaga, Kisumu, Kitui, Kwale, Laikipia, Lamu, Makueni, Mandera, Meru, Mombasa, Nakuru, Nandi, Nyandarua, Nyeri, Samburu, Siaya, Taita Taveta, Tana River, Tharaka Nithi, Transzoia, Machakos, Turkana, Vihiga, Wajir, West pokot, Uasin gishu and Migori. The sampling frame was derived from the constitution of Kenya (COK, 2010).

3.5 Sample and Sampling Technique

3.5.1 Sample Size

A sample is a category of objects, people or items that are extracted from a bigger population for evaluation. It is usually advice sable that the sample be representative of population in order to ensure that the research generalize the finding of the sample to the entire population (Kothari, 2004).

Each sample must have a non-zero probability of selection (Cooper & Schindler, 2008). Taking a non-zero probability of selection of 0.101 the sample size therefore was: $0.101 = \frac{Sample\ \ size}{1836}$. This gave a sample size of 186 respondents as shown in Table 3.1.

Table 3.1: Number of choosing a stratified random sample

County	Strata		Formula of sample	Total sample
	Finance	Procurement		
Garissa	67	31	(98/1836)x186	9
Kisii	145	47	(192/1836)x186	18
Nyamira	97	39	(136/1836)x186	14
Narok	102	43	(145/1836)x186	15
Marsabit	53	28	(81/1836)x186	8
Murang'a	119	51	(170/1836)x186	17
Bomet	123	69	(192/1836)x186	18
Nairobi	305	134	(439/1836)x186	44
Kiambu	147	81	(288/1836)x186	28
Homa Bay	111	44	(155/1836)x186	15
Totals				186

Source: (Devolved Systems of Governance, HR registry, 2017)

3.5.2 Sampling Technique

The study adopted stratified random sampling where the objects were extracted in a manner that the existing subgroups in the population are more or less replicated in the sample (Mugenda & Mugenda, 2003). Using the sampling frame, there were 2 subgroups/ strata that are procurement and finance departments. Then from each stratum a simple random sampling were used to pick sample size proportionately. Stratified sampling technique guaranteed that each stratum is represented in the sample and is more accurate in reflecting the characteristics of the population. A population is stratified in accordance to the varying characteristics of the population and a random sample is selected from each stratum (Kothari, 2004). In this sampling method, sampling error is considerably reduced.

3.6 Data Collection Instruments

A standardized questionnaire were developed to capture the various variables under study. A questionnaire is a research instrument that is made up of consisting of a series of questions for the motive of collecting information from respondents. The main strength of using questionnaire compared to other instrument is that they are economical in the sense that the researcher can get large amount of data at low cost, another strength is that the data collected can be simply converted into quantitative data through yes or no answers , Also questionnaires have standardized questions which allows the respondents to respond the questions in the same order, hence making it easier to replicate the questionnaire for reliability purposes (Bhat,2019). The questionnaire was divided into two sections. Part A was the general data, Part B asked the respondents to provide specific information concerning the major areas of this study. The questionnaire consisted both closed and open ended questions. The closed ended questions allowed respondents give specific information concerning the study which minimized biasness and ease the data analysis process while the open ended questions on the other hand allowed the respondents express their thoughts in their own terms.

3.7 Data Collection Procedure

Data collection is the process of gathering and estimating data on targeted variables in an established system, which then enables one to answer relevant questions and evaluate outcomes (Nemanja, 2020). Questionnaire was self-administered by the research and further the researcher recruited two well-trained research assistants to help in the process. For the secondary data the researcher heavily relied on published research done by other scholars, books from the library and the internet. The target participants were employees who work both procurement and finance department at the county who filled in the questionnaires. These target participants were well knowledge about the strategic procurement practices and how it influences performance of the Devolved Systems of Governance.

Devolved Systems of Governance employees were first contacted and the intention to drop the questionnaires and the request to explain to the procurement/finance managers. The questionnaires were delivered to the respondents and the researcher waited for them to be filled. The number of questionnaires that were used to collect data for this study were above 186 to increase high chances of respondents.

3.8 Pilot Test

Cooper and Schindler (2011) explained that pilot test is conducted to detect weaknesses in design, instrumentation and to provide proxy data for selection of probability sample. The procedures which were used in pre-testing the questionnaire were identical to those that were used during the actual study or data collection. The number in the pre-test should be small, about 1% to 10% of the target population (Mugenda & Mugenda, 2003). In this study the questionnaire was tested on 10% of the entire sample size, which translated to eighteen respondents. 10 % have been used in supply chain strategies, technology and performance of large-scale manufacturing firms in Kenya by (Magutu, 2013). The questionnaire was pilot tested in Machakos County government. The researcher choose Machakos County as pilot test

because according to the Controller of Budget's County Report 2013/2014, this county had the highest development expenditure of Ksh2.7 billion (44.1 percent) which translates to high expenditure in procurement. Also Machakos County have not been left out with the fact that they do not observe the procurement laws and regulations for instance a case of Machakos County Executive paid an officer cash of Ksh100, 000.00 for the purchase of Teleprompter vide Warrant No 1674541. After investigation it was indicated that no quotations were attached to verify whether the procurement of the asset was competitively done (Public Procurement in Kenya's Counties report, 2015).

3.8.1 Reliability of Data Collection Instruments

This study adopted the internal consistency method. Reliability is consistency of measurement (Bollen, 1989), or stability of measurement over a variety of conditions in which basically the same results should be obtained. The internal consistency method was adopted because it is more stable than the other methods (Bryman, 2012; Cooper & Schindler, 2011). Internal consistency was tested using the Cronbach's alpha statistic. For a test to be internally consistent, Drost (2011) suggests that estimates of reliability should be based on the average inter correlations among all the single items within a test. Pallant (2010) advises that where Cronbach"s Alpha coefficient is used for reliability test, the value should be above 0.7. Reliability was computed using Cronbach"s alpha (α) formula as shown below:

$$\alpha = \frac{k(S^2 - \sum s^2)}{S^2(k-1)}$$

Where: K = number of items in the instrument

S^2 = variance of all scores

s^2 = variance of individual items

3.8.2 Validity of Data Collection Instruments

This study adopted construct validity. Mugenda and Mugenda (2003) define validity as the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Validity also refers to the degree to which an instrument measures what it purports to measure (Mugenda, 2008; Bryman, 2012). Validity therefore, is concerned with the meaningfulness of research components. Construct validity refers to how well you translated or transformed a concept, idea, or behavior (a construct) into a functioning and operating reality, the operationalization (Trochim, 2006).

This study adopted content validity. Content validity is a qualitative type of validity where the domain of the concept is made clear and the analyst judges opine whether the measures fully represent the domain (Bollen, 1989). Drost (2012) posits that there are basically two ways of assessing content validity, that is, ask a number of questions about the instrument or test and/or ask the opinion of expert judges in the field. Exploratory Factor Analysis (EFA) was used to validate hypothetical constructs by clustering those indicators or characteristics that appeared to correlate highly with each other (Kane, 2006).

3.9 Data Analysis and Presentation

Zikmund *et al.* (2012) posit that data analysis is the application of reasoning to understand the data that have been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. Data processing entails editing, classification and tabulation of data collected so that they are amenable to analysis (Kothari, 2009). Data entry converts information gathered by secondary or primary methods to a medium for viewing and manipulation. In this study, the quantitative data was gathered and analyzed by calculating response rate with descriptive statistics specifically mean and standard deviation and proportions using Statistical Package for Social Sciences (SPSS) version 24. Inferential data analysis on the other hand was done using factor analysis and

correlation analysis in order to ascertain the strength and direction of the movement between dependent and independent variable. Influence of moderating variable was further tested was tested. Multiple regression analysis and standard F test were used to test hypothesis, this enables all variables to be compared simultaneously with each other as opposed to individually.

This study tested normality, heteroscedasticity and autocorrelation. Normality is important in knowing the shape of the distribution and helps to predict dependent variables scores (Paul & Zhang, 2009). Heteroscedasticity means a situation in which the variance of the dependent variable varies across the data, as opposed to a situation where Ordinary Least Squares, OLS, makes the assumption that $V(\varepsilon_j)=\sigma^2$ for all j, meaning that the variance of the error term is constant (homoscedasticity). Heteroscedasticity complicates analysis because many methods in regression analysis are based on an assumption of equal variance (Park, 2008). Autocorrelation refers to the correlation of a time series with its own past and future values (Box & Jenkins, 1976). The autocorrelation function can be used to detect non-randomness in data and also to identify an appropriate time series model if the data are not random. Autocorrelation is essentially a correlation coefficient, but instead of correlation being between two different variables, the correlation is between two values of the same variable at times X_i and X_{i+k}.

This study also tested for multicollinearity. Multicollinearity is the undesirable situation where the correlations among the independent variables are strong (Martz, 2013). To test for multicollinearity, Variance Inflation Factor (VIF) was used. If no two independent variables are correlated, then all the VIFs will be 1. If VIF for one of the variables is around or greater than 5, there is multicollinearity associated with that variable. In this case one of these variables must be removed from the regression model (Cohen, Cohen, West & Aiken, 2003).

3.9.1 Statistical Measurement Model

According to Mugenda and Mugenda (2003), linear regression analysis attempts to determine whether a group of variables together predict a given dependent variable and in this way, attempt to increase the accuracy of the estimate. The general linear regression model for this study was:

$$Y= \beta_0 + \boldsymbol{\beta}_1 X_1 + \beta_2 X_2 + \boldsymbol{\beta}_3 X_3 + \boldsymbol{\beta}_4 X_4 + \varepsilon$$

Where; Y = Performance of Devolved system of government

β_0=constant

β_i is the coefficient for X_i (i=1, 2,3,4) $_i$

X_1 = Strategic Supplier relationships practice

X_2 = Strategic E-procurement practice

X_3 = Strategic Negotiation practice

X4 =Strategic Contract management practice

ε = error term

For testing the moderating effect, the following model was used:

$$Y= \beta_0 + \boldsymbol{\beta}_1 X_1 + \beta_2 X_2 + \boldsymbol{\beta}_3 X_3 + \boldsymbol{\beta}_4 X_4 + \beta_1 X_1 Z + \boldsymbol{\beta}_2 X_2 Z + \boldsymbol{\beta}_3 X_3 Z + \boldsymbol{\beta}_4 X_4 Z + \varepsilon$$

Where; Y= Performance of Devolved Systems of Governance

β_0 =constant

β_i is the coefficient for X_i (i=1, 2,3,4) $_i$

X_1 = Strategic Supplier relationships practice

X_2 = Strategic E-procurement practice

X_3 = Strategic Negotiation practice

X4 =Strategic Contract management practice

Z = Public procurement acts and regulations (Moderating variable)

ε = error term

3.9.2 Operationalization of the Study Variables

This study used the following rating scales, that is, open-ended questions to allow the respondents to add information that might not be included in the closed-ended questions and Likert scale, developed by Rensis Likert, to examine how strongly subjects agree or disagree with a statement (Cooper & Schindler, 2011). In this study, Likert scales dominated the questionnaire. Chimi and Russel (2009) elucidated that Likert scale is everywhere in nearly all fields of scholarly and business research that it is used in a wide variety of circumstances: when the value sought is a belief, opinion or effect; when the value sought cannot be asked or answered definitely and with precision; and when the value sought is considered to be of such a sensitive nature that respondents would not answer except categorically in large ranges. The nature of the data that was collected in this study exhibit majority of these features and so the Likert scale was the most suitable. A Likert Scale can be evaluated easily through standard techniques like, factor analysis and logistic regression analysis (Montgomery, Peck & Vining, 2001). All the hypotheses to test the relationship was measured by a linear regression mode.

Table 3.2: Operationalization of study variables

Variable	Indicator	Scale	Questionnaire Reference/ Measurement
Strategic supplier relationships practice	• Direct supplier involvement • Joint product development and design • Information sharing	Interval	Questions
Strategic E-procurement practice	• Automation of systems • Central coordination of suppliers • Service standardization • Procurement strategy alignment	Interval	Questions
Strategic negotiation practice	• Fair price • Agreed delivery period • Agred payment terms • Agreed liability	Interval	Questions
Strategic contract management practice	• Contract administration • Standards usage • Continuous improvement • Contract formulation	Interval	Questions
Public procurement acts and regulations	• Administration of procurement contracts • Management of procurement cycle • Application of discretion in procurement • Procurement documentation	Interval	Questions
Performance	• Procurement productivity • Procurement cost saving • Customer satisfaction	Interval	Questions

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter summarizes the conclusions of the study and references pertinent literature to back up those findings. The findings include demographic information about the sample, descriptive statistics for strategic procurement practices, correlations between strategic procurement practices, and statistically significant variances in the performances of devolved systems of governance. In general, the regression model was used to do the study. Finally, in this chapter, a summary of the study's findings is provided and discussed.

4.2 Demographic information

The characteristics of those who took part in the research were collected and examined. The information gathered on the questionnaire was used to generate the findings. The demographic data had little bearing on the high-level analysis, although it did give some insight into the study population. The characteristics are mentioned in the next section.

4.2.1 Response rate of Respondents in Devolved Systems of Governance

The study's target demographic was all personnel in finance and procurement departments across ten counties. Table 4.1 shows that out of 186 self-administered surveys, 160 were completed, producing an 86 percent response rate. This response rate was good and representative, confirming Mugenda's (2008) assertion that a response rate of 50 percent is sufficient for analysis, 60 percent is good, and 70 percent and above is exceptional. The data collecting approach, in which the researcher physically delivered questionnaires to the respondents who filled them out, was credited with the high response rate. Later, the researcher gathered the completed surveys. This response rate indicated a desire to participate in the research.

completed surveys. This response rate indicated a desire to participate in the research.

Table 4.1: Response Rate of Respondents in Devolved Systems of Governance

County	Frequency	Percent
Homabay	8	5.0
Marsabit	10	6.3
Garissa	8	5.0
Nairobi	36	22.5
Kisii	20	12.5
Kiambu	28	17.5
Murang'a	6	3.8
Nyamira	19	11.9
Bomet	15	9.4
Narok	10	6.3
Total	160	100.0

In four surveys, a few missing replies were discovered at random. This might be owing to respondents' concerns about data confidentiality, a lack of knowledge, or a reluctance to answer a question they believed was unrelated to their counties' strategic procurement practices. The missing values were replaced using a maximum probability method (Enders & Bandaios, 2001).

4.2.2 Length of Service

The question sought to investigate the number of years each respondent has worked with the Devolved systems in Kenya. Majority, 58.8 percent of the respondents have a working experience of less than five years and 41.3 percent have worked more than five years. This means that the majority respondents may have not adequate working experience with the Devolved systems in Kenya however, the researcher relied heavily on the wealthy of experience of employees who have severed more than five years to get right information as shown in Table 4.2.

Table 4.2: Length of Service of Employees

Length of service	Frequency	Percent
Less than 5years	94	58.8
Over 5 years	66	41.3
Total	160	100.0

4.2.3 Age of the Respondents

The respondents were asked to state their age and the results indicated that majority of respondents (43.1) percent have age brackets between 18 & 30 years. Also, 35.6 percent of the respondents were aged between 31 & 40 years, 16.3 percent of respondents were between 41&50 years and 5 percent of respondents were above 51 years of age. Age of respondents in this study was relevant because it showed that the Devolved system of governance have taken good measures to employ the youths who are majority of the population and who have been ignored in other sectors. This also indicates that the results of the study would have great implications in future. This is because the majority of participants who comprised the youth would make decisions on learning the devolved systems of governance based on the findings as shown in Table 4.3.

Table 4.3: Age of the Respondents

Age of the respondents	Frequency	Percent
18-30 years	69	43.1
31-40 years	57	35.6
41-50 years	26	16.3
51 and above	8	5.0
Total	160	100.0

4.2.4 Education Level of Respondents

The respondents' educational level was inquired about, and the majority, 50.6 percent, said that they had a Bachelor's degree, while a sizable percentage stated that they have a Master's degree, 30.6 percent possess Master's degree, 11.3 percent have college Certificate, 3.8 percent both PhD and Professional qualifications as indicate in Table 4.4.

Table 4.4: Level of Education

Education level	Frequency	Percent
College level	18	11.3
University	81	50.6
Masters	49	30.6
PHD	6	3.8
Professional Qualification	6	3.8
Total	160	100.0

These results indicated that majority of employees who are working in the devolved systems of governance have adequate skills, knowledge and competencies in their areas of work. Likewise, it showed that the respondents were well-informed and provided with more data for the research.

4.5.5 Department

The respondents were asked to indicate the department they work under and 60 percent of the respondents indicated that they worked in procurement and 40 percent of the respondents worked in finance. This information was crucial because the two departments are vital because they are involved in the procurement of goods; services and works in county government and thus the study showed there were fair representations of respondents in both departments as shown in Table 4.5.

Table 4.5: Department Representations of Respondents

	Frequency	Percent
Finance	64	40.0
Procurement	96	60.0
Total	160	100.0

4.3 Reliability Test of Study Instruments

Reliability is defined as measurement consistency (Bollen, 1989), or measurement stability under a range of settings with essentially the same findings. Because it is more stable than the other ways, the internal consistency method was chosen (Bryman, 2012; Cooper & Schindler, 2011). Cronbach's alpha was used to determine the dependability of the collected data.

4.3.1 Reliability Results for Strategic Supplier Relationships Practice

The reliability and internal consistency of the items in strategic supplier relationships each part of each construct was estimated. Table 4.6 shows that the Cronbach's alpha value is 0.46 of all strategic supplier relationships items some were below 0.7 and others were above 0.7 All the items which were below 0.7 were restructured and others were removed. Scale refinement was looked at by looking at item to total correlations. Indicators with an item to total correlation threshold of 0.3 and above were kept for more analysis (Hair et al., 2006).

Table 4.6: Reliability Test for Strategic Supplier Relationships

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
sharing of qualitative information and competencies	18.95	11.683	.517	.687	.736
joint product development and design	19.32	10.785	.491	.686	
direct involvement of a company	19.29	9.932	.541	.669	
we develop capabilities of supply	19.14	10.338	.500	.683	
we stress the sustainability when outsourcing	19.07	12.140	.365	.719	
we rely on suppliers to increase performance	19.29	10.521	.417	.712	

4.3.2 Reliability Result for Strategic E-Procurement Practice

Table 4.7 shows the Cronbach's alpha values of strategic e-procurement practice on the seven items. The Cronbach's alpha values of strategic e-procurement practice before and after removal of items were above 0.7. The study, then, looked at all seven strategic e-procurement practice statements. Scale refinement was looked at by looking at item to total correlations. Indicators with an item to total correlation threshold of 0.3 and above were kept for more analysis (Hair et al., 2006).

Table 4.7: Reliability Results for Strategic E-Procurement Practice

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
allows the automation of authorization workflow	23.87	21.461	.750	.856	.883
enable creation of a central coordination instance for supplier management	23.88	21.984	.746	.857	
enable standardization of services for representation in the catalogue	23.86	23.608	.653	.869	
enable global sourcing of goods and services	23.84	22.460	.665	.867	
align procurement strategy	23.81	21.868	.807	.850	
reduction of costs	24.07	21.674	.637	.872	
diversification of risk with key suppliers for product failure	24.12	24.420	.472	.890	

4.3.3 Reliability Results for Strategic Negotiation Practice

When it comes to strategic negotiation practice, the reliability and factor analysis results are shown in Table 4.8. Cronbach's alpha value rose above 0.7 after the item was removed from the study. Scale refinement was looked at by looking at item to total correlations. Indicators with an item to total correlation threshold of 0.3 and above were kept for more analysis (Hair et al., 2006).

Table 4.8: Reliability Results for Strategic Negotiation Practice

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
Enable to obtain a fair price for the specified quality of the item	20.69	11.939	.670	.835	.860
Enable to agree on the delivery period	20.60	11.852	.716	.829	
Enable to agree on the payment terms	20.82	10.774	.726	.823	
Enable to agree on the liability for claims and damages	20.94	10.814	.603	.851	
Enable to decide on the frequency of progress reports	20.75	11.585	.742	.824	
Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates	20.67	11.544	.537	.860	

4.3.4 Reliability Results for Strategic Contract Management Practice

Results from the reliability analysis were shown in Table 4.9, which is about strategic contract management. Each of the constructs was changed by performing principal component analysis on the original items that made up each construct. The reliability and consistency of the items that make up each construct were estimated. Because all of the strategic contract management practice items in the table had a Cronbach's alpha value of more than 0.7, there were no items that were removed from the table. Scale refinement was looked at by looking at item to total correlations. Indicators with an item to total correlation threshold of 0.3 and above were kept for more analysis (Hair et al., 2006).

Table 4.9: Reliability Results for Strategic Contract Management Statistics

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
contract management helps in ensuring materials and services delivered meet the required standards	20.29	12.033	.597	.859	.896
There are explicit standards and measures of performance between different stakeholders in county government	20.56	11.153	.714	.839	
contract administration ensures obligations and responsibilities defined under contract are met	20.45	11.519	.698	.843	
contract management team emphasis on continuous improvement and achievement of results	20.49	10.113	.798	.822	
Actors along the chain have efficient and secure sources for collecting and analyzing customer info	20.48	11.157	.692	.843	
Actors have good contract management skills to win and retain customers and sell or purchase electricity at favourable prices	20.51	11.723	.527	.873	

4.3.5 Reliability Results for Public Procurement Acts and Regulations

Table 4.10 shows the Cronbach's alpha values of public procurement acts and regulations on the five items. The Cronbach's alpha values of public procurement acts and regulations before and after removal of items were above 0.7. The study, therefore, considered all the five public procurement acts and regulations statements. Scale refinement was looked at by looking at item to total correlations. Indicators with an item to total correlation threshold of 0.3 and above were kept for more analysis (Hair et al., 2006).

Table 4.10: Public Procurement Acts and Regulations

Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Overall Cronbach's Alpha
it provides framework of administration of procurement contracts	16.54	8.665	.768	.825	.869
it provides framework of implementation and management of all steps in procurement cycle	16.61	8.289	.785	.819	
it provides framework of product judgement and application of discretion to procurement decision such as e-procurement	16.76	8.874	.617	.860	
it provides requisite procurement document, records management	16.74	8.421	.635	.858	
it provides institutional framework that arranges for carrying out public procurement	16.57	8.549	.682	.844	

4.3.6 Overall Reliability

The internal consistency values of the items on their associated constructs were used to assess the dependability of the individual items. The consistency of construct elements was checked using Cronbach's Alpha (Cronbach, 1979) measure of internal consistency. On each scale of the constructs, reliability was tested. Cronbach's alpha was 0.944, which was higher than the 0.7 criterion. As shown in Table 4.11, the Cronbach's alpha value for second order variables varied from 0.736 to 0.896. All of the research variables' retained scale items were therefore kept for further analysis since they met the requisite reliability levels.

Table 4.11: Reliability Analysis for Constructs

Construct	Cronbach's Alpha	No of items	Decision
Strategic Supplier Relationships	0.736	6	reliable
Strategic E-procurement practice	0.883	7	reliable
Strategic Negotiation practice	0.860	6	reliable
Strategic Contract management practice	0.896	6	reliable
Public procurement acts and regulations	0.869	6	reliable
Overall	0.944	30	reliable

4.4 Validity Tests for Research Instruments

The measured variables were tested for construct validity to see whether they accurately reflected the theoretical conceptions (Hair et al., 2011). Because all variables were evaluated with numerous items, the data was submitted to component analysis to assess construct validity and dimensionality. Exploratory factor analysis was used to determine the structure of the items in the study's constructs, as well as their validity and scale un-dimensional evaluation. To purify the variables and refine them into the most effective number of components, exploratory factor analysis (EFA) was used.

PCA and the Promax rotation method were used to improve each of the constructs. Through the PCA algorithm, the items of the constructs that had factor loadings of more than 0.5 were kept for more study (Hair et al., 2011). Three factor analysis measurement indicators were used in the study to see how well items could be broken down into groups. Among these are Kaiser Meyer-Measure Olin's of Sampling Adequacy, Barlett's Test of Sphericity, and other things, like how many people live together. There was a 0.6 threshold for sampling adequacy set by Kaiser in 1974, as well as significant chi-square p values for Barlett's test of Sphericity (Kaiser, 1974), in the study (Bartlett, 1954). A measure of sampling adequacy called Kaiser-Meyer-Olkin said that it was 0.880, which was above the 0.6 mark. This meant that the sample size was big enough for factor analysis. There were 378 degrees of freedom and a p-value less than 0.05, which means that the data can be used to look for structures in the data.

Table 4.12: KMO and Bartlett's Test for Sampling Adequacy

Test		**Value**
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.880
Bartlett's Test of Sphericity	Approx. Chi-Square	3221.734
	Df	378
	Sig.	.000

4.4.1 Communalities for Constructs

Small communalities scores indicate that the construct's elements do not match well with the extracted factor solution and should be excluded from further investigation. Table 4.13 shows that the extraction communalities for the retained items assessing Devolved systems construct performance were all more than 0.5, suggesting that the retained things matched well with other items in the factor solution (Pallant, 2010).

Table 4.13: Communalities for Constructs

	Initial	Extraction
Sharing of qualitative information and competencies	1.000	.650
Joint product development and design	1.000	.731
Direct involvement of a company	1.000	.723
We develop capabilities of supply	1.000	.652
We stress the sustainability when outsourcing	1.000	.655
We rely on suppliers to increase performance	1.000	.575
Allows the automation of authorization workflow	1.000	.719
Enable creation of a central coordination instance for supplier management	1.000	.735
Enable standardization of services for representation in the catalogue	1.000	.637
Enable global sourcing of goods and services	1.000	.589
Align procurement strategy	1.000	.738
Reduction of costs	1.000	.649
Diversification of risk with key suppliers for product failure	1.000	.555
Enable to obtain a fair price for the specified quality of the item	1.000	.678
Enable to agree on the delivery period	1.000	.686
Enable to agree on the payment terms	1.000	.744
Enable to agree on the liability for claims and damages	1.000	.697
Enable to decide on the frequency of progress reports	1.000	.672
Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates	1.000	.545
Contract management helps in ensuring materials and services delivered meet the required standards	1.000	.726
There are explicit standards and measures of performance between different stakeholders in county government	1.000	.653
Contract administration ensures obligations and responsibilities defined under contract are met	1.000	.688
Contract management team emphasis on continuous improvement and achievement of results	1.000	.709
Actors along the chain have efficient and secure sources for collecting and analyzing customer info	1.000	.709
Actors have good contract management skills to win and retain customers and sell or purchase electricity at favorable prices	1.000	.680
It provides framework of administration of procurement contracts	1.000	.827
It provides framework of implementation and management of all steps in procurement cycle	1.000	.802
It provides framework of product judgement and application of discretion to procurement decision such as e-procurement	1.000	.780
It provides requisite procurement document, records management	1.000	.693
It provides institutional framework that arranges for carrying out public procurement	1.000	.551

Extraction Method: Principal Component Analysis.

4.4.2 Total Variance Explained

In order to figure out how many factors to extract from each construct, Kaiser's criterion was used. Kaiser kept the factors with eigenvalues greater than or equal to 1.0. (Hair et al., 2011). Based on Kaiser's criteria, five factors were added to a total of 28 factors, which is how many factors there were in total. Table 4.14 shows that

the five factors were able to explain 65.787 percent of the total variance in the study data, which is why they are shown there. The five factors that were added had eigenvalues in the first solution that were greater than or equal to 1.0. 65.787 percent of the variability in the extracted solution was explained by these five factors that were added in. This means that no explanation of the original eigenvalues was lost when we rotated the performance of Devolved systems factor solution in a promax direction (Hair et al., 2010).

Table 4.14: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	11.835	42.267	42.267	11.835	42.267	42.267	10.113
2	2.209	7.890	50.156	2.209	7.890	50.156	8.264
3	1.709	6.103	56.259	1.709	6.103	56.259	8.015
4	1.438	5.137	61.396	1.438	5.137	61.396	2.212
5	1.229	4.390	65.787	1.229	4.390	65.787	3.309
6	1.000	3.570	69.356				
7	.919	3.282	72.638				
8	.878	3.135	75.773				
9	.807	2.883	78.656				
10	.719	2.568	81.224				
11	.709	2.533	83.757				
12	.580	2.070	85.828				
13	.495	1.768	87.596				
14	.475	1.697	89.293				
15	.401	1.433	90.726				
16	.349	1.248	91.974				
17	.303	1.082	93.056				
18	.266	.949	94.005				
19	.240	.856	94.861				
20	.237	.846	95.708				
21	.222	.794	96.501				
22	.198	.707	97.208				
23	.179	.641	97.849				
24	.161	.574	98.423				
25	.146	.520	98.943				
26	.113	.402	99.345				
27	.100	.359	99.704				
28	.083	.296	100.000				

Extraction Method: Principal Component Analysis.

When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

4.4.3 Pattern Matrix

The table below shows a pattern matrix for the constructions with a clear factor structure and appropriate cross loadings. The pattern matrix coefficients in this research varied from 0.511 to 0.948, indicating that variables are almost completely connected to a factor pattern. As a result, all of the scale items that were kept for additional research were kept because they met the requisite validity levels.

Table 4.15: Pattern Matrixa

		Component				
Item	**Description**	**Strategic Negotiation practice**	**Strategic E-procurement practice**	**Strategic Contract management practice**	**Public procurement acts and regulations**	**Strategic Supplier Relationships**
SSR1	Sharing of qualitative information and competencies					0.626
SSR2	Joint product development and design					0.645
SSR3	Direct involvement of a company					0.762
SSR4	We develop capabilities of supply					0.732
SSR5	We stress the sustainability when outsourcing					0.837
SSR6	We rely on suppliers to increase performance					0.640
SEPP1	Allows the automation of authorization workflow		0.703			
SEPP2	Enable creation of a central coordination instance for supplier management		0.687			
SEPP3	Enable standardization of services for representation in the catalog		0.540			
SEPP4	Enable global sourcing of goods and services		0.712			
SEPP5	Align procurement strategy		0.657			
SEPP6	Reduction of costs		0.784			
SEPP7	Diversification of risk with key suppliers for product failure		0.828			
SNP1	Enable to obtain a fair price for the specified quality of the item	0.822				
SNP2	Enable to agree on the delivery period	0.831				
SNP3	Enable to agree on the payment terms	0.637				
SNP4	Enable to agree on the liability for claims and damages	0.532				
SNP5	Enable to decide on the frequency of progress reports	0.740				
SNP6	Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates	0.709				
SCMP1	Contract management helps in ensuring materials and services delivered meet the required standards			0.948		
SCMP2	There are explicit standards and measures of performance between different stakeholders in county govt			0.741		
SCMP3	Contract administration ensures obligators and responsivities defined under contract are met			0.511		

Item	Description	Strategic Negotiation practice	Strategic E-procurement practice	Strategic Contract management practice	Public procurement acts and regulations	Strategic Supplier Relationships
SCMP4	Contract management team emphasis on continuous improvement and achievement of results			0.739		
SCMP5	Actors along the chain have efficient and secure sources for collecting and analyzing customer info			0.920		
SCMP6	Actors have good contract management skills to win and retain customers and sell or purchase electricity at favorable prices			0.920		
PPR1	It provides framework of administration of procurement contracts				0.947	
PPR2	It provides framework of implementation and management of all steps in procurement cycle				0.928	
PPR3	It provides framework of product judgement and application of discretion to procurement decision such as e-procurement				0.792	
PPR4	It provides requisite procurement document, records management				0.683	
PPR5	It provides institutional framework that arranges for carrying out public procurement				0.611	

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

4.5 Descriptive Statistics for Study Variables

Each study variable was separated into two sub-sections in the research instrument. There were closed and open ended questions in each of the two sub-sections. In these questions, respondents were given statements to choose from on a Likert scale. The open ended questions allowed respondents to express their opinions, and the explanations were then submitted to additional qualitative analysis. Sorting and categorization, open coding, axial coding, and select coding were among the steps of qualitative analysis. As a consequence, fewer questions were investigated since some did not fulfill the criteria.

4.5.1 Results of Strategic Supplier Relationships Practice

The goal of the study was to find out how strategic supplier relationships in Kenya affect the performance of the Devolved Systems of Governance. This goal was measured by asking people to say how they felt about a range of things on a scale from 1 (strongly disagree) to 5 (strongly agree).

In Kenya, strategic supplier relationship opinion statements are used in the Devolved system. The respondents were asked to say how much they agreed with these statements. This was on a scale of strongly disagree, disagree, neither agree nor disagree, Agree and strongly agree, and neither agree nor disagree. There is a lot of power in the Devolved Systems of Governance because of this score. It has been taken to be equivalent to a mean likert score of 4.1 to 5.0. Getting a score of agree means that the Devolved Systems of Governance is having a big impact on how well it works. This is equivalent to getting a score of 3.1 to 4.0. The score that doesn't agree or disagree with the way the Devolved Systems of Governance works is called a "neutral" score and is thought to be between 2.1 and 3.0. People who disagree with the Devolved Systems of Governance say that it has a small effect on how well it works. People who strongly disagree say that it has a small effect on how well it works and that it has a small effect on how well it works. A standard deviation of more than one means that there is a big difference between the people who answered. In Table 4.16, you can see the results of the study.

Table 4.16: Results of Strategic Supplier Relationships Practice

Opinion Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
Sharing of qualitative information and competencies	0.0	6.3	6.3	62.5	25.0	4.06	0.750
Joint product development and design	3.8	9.4	16.9	53.8	16.3	3.69	0.978
Direct involvement of a company	2.5	15.0	18.1	36.9	27.5	3.72	1.100
We develop capabilities of supply	5.0	6.9	13.1	46.3	28.8	3.87	1.065
We stress the sustainability when outsourcing	0.0	6.3	17.5	51.9	24.4	3.94	0.818
We rely on suppliers to increase performance	4.4	12.5	18.1	36.3	28.8	3.73	1.138
composite score						3.84	0.975

From the study results, it was established that majority of respondents with a mean rate of 4.06 strongly agreed that their Devolved system of government hare qualitative information and competencies with their strategic suppliers in order to strengthen relationships. This result agree with other studies like the study of Monczka *et al.*, (2005) who established that the procurement function has become more and more crucial in the organization and therefore performs more and more strategic activities by developing and controlling critical capabilities supporting and enhancing the company's competitive differential. Thus devolved system of government hare crucial information such as knowledge, mutual adaptations and long-term investments. Also, information sharing can provide Devolved systems of Governance with a competitive advantage through sharing information making joint decisions and sharing benefits which result from greater profitability of satisfying customer needs than acting alone (Simatupang & sridharan, 2002).

According to the findings, Kenya's devolved systems of governance conducts joint product development and design with its suppliers, engages suppliers directly on issues affecting them, develops supplier capabilities through capacity development, outsources suppliers who follow sustainable practices, and engages suppliers who can improve their performance. The respondents gave a mean rating of higher than 3.0 to all of these claims. Supplier connections have a vital role in supporting the company's competitive advantage and difference in the eyes of the ultimate customer, according to results of other researchers examined in the literature (Tunisini & Sebastiani, 2015). Supplier relationships also play a rationalization role, assisting the company's efficiency and allowing minor sacrifices for its customers, as well as a developmental role, assisting the company's development of innovation and capabilities and, as a result, assisting the increase of benefits perceived by the company's customers (Gadde et al., 2010).

Due to the shared development, transmission, interpretation, and application of real-time consumer demand as well as continuing supply capacity restrictions, integrating demand and supply chain activities helps firms generate and deliver higher customer value (Esper et al., 2010). However, according to the study, 30.1 percent of respondents said their Devolved Systems of Governance does not conduct joint

product development, while 35 percent said they involve suppliers directly in their strategic plans and 35 percent said they do not rely on suppliers solely to improve their Devolved Systems of Governance's performance.

As a result, most people in the study agreed with other researchers who said that customer involvement improves product quality, delivery reliability, process flexibility, and customer service, and that supplier involvement reduces costs. This is in line with the findings of other studies that say customers and suppliers can help improve the performance of the county (Zhang, et.al 2010). In addition, the study found that the majority of people agreed that the county government should help their suppliers improve their skills in order to improve the performance of the Devolved Systems of Governance. This is in line with other studies that found that supplier development is important to the performance of an organization in that the elements of supplier development have a bigger impact on the performance of the organization than other factors. Helps reduce the cost of the product, improves the quality of the product, and makes it easier to make the product faster because of better supplier quality (Wachiuri et al., 2015).

Most people who took the survey agreed that Devolved Systems of Governance emphasized on sustainability when outsourcing activities from suppliers. The study also found out that majority of people agreed that the Devolved Systems of Governance outsourced the non-core functions so they could focus on their core business, which made the government more efficient. By outsourcing non-core functions, we can focus on our core activities and improve our performance. This is in line with other research, which found that outsourcing has an impact on productivity, costs, and quality of goods and services produced, which in turn affects the performance of an organization. Process-specific outsourcing is linked to better performance, so companies can take advantage of this (Opiyo, 2017).

4.5.2 Results of Strategic E-procurement Practice

In Kenya, a study was done to see if strategic e-procurement practices had an effect on how well the Devolved Systems of Governance worked. In order to measure this

goal, we used the Likert scale table of 1=Strongly Disagree, 2=Disagree, 3=neither agree nor disagree, 4=Agree, and 5=Strongly Agree.

The respondents were asked to assess how much they agreed with strategic e-procurement practice opinion statements that are implemented in Kenya's devolved systems of governance. On a scale of strongly disagree, disagree, neither agree nor disagree, agree, and highly agree, this was scored. The score strongly agree shows a high level of influence on the performance of the Devolved Systems of Governance and is similar to a likert scale score of 4.1 to 5.0. The score agree, which is comparable to a mean score of 3.1 to 4.0, indicates that the performance of the Devolved Systems of Governance has a significant impact. The score of neither agree nor disagree indicates a neutral impact on the functioning of the Devolved Systems of Governance, and is comparable to a mean score of 2.1 to 3.0. The disagree ratings reflect low effect of Devolved Systems of Governance performance and are equal to a mean score of 1.1 to 2.0, while the strongly disagree values show extremely low influence of Devolved Systems of Governance performance and are comparable to a mean score of 0.1 to 1.0. A standard deviation of higher than one indicates that the responses varied significantly. Table 4.17 shows the outcome of the analysis.

Table 4.17: Strategic E-procurement Practice

Opinion Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
Allows the automation of authorization workflow	5.0	5.0	10.0	41.3	38.8	4.04	1.069
Enable creation of a central coordination instance for supplier management	5.0	2.5	11.3	46.9	34.4	4.03	1.006
Enable standardization of services for representation in the catalogue	2.5	3.8	10.6	52.5	30.6	4.05	0.889
Enable global sourcing of goods and services	3.8	6.3	8.8	42.5	38.8	4.06	1.032
Align procurement strategy	5.0	1.3	7.5	51.3	35.0	4.10	0.960
Reduction of costs	6.3	6.9	20.0	30.6	36.3	3.84	1.176
Diversification of risk with key suppliers for product failure	3.8	5.6	22.5	44.4	23.8	3.79	0.993
composite score						3.99	1.02

The majority of respondents with a mean of 4.04 rated that Kenya's devolved systems of governance has implemented e-procurement via the automation of procurement operation processes to increase smooth work flow, according to the survey results in Table 4.17. Most counties have embraced e-procurement to apply single e-procurement functions, according to this study's findings, which are consistent with other researchers' work examined in the literature (Ayoyi & Odunga, 2015). The goal of using Internet technology in procurement is to achieve quicker and more effective operational procurement procedures that bypass the buying department and allow those individuals to focus on more strategic activities (Giunipero & Sawchuk, 2000). However, 20% of respondents disputed that their Devolved systems of governance's procurement processes had not been automated.

Similarly, the survey discovered that the majority of respondents assessed their Devolved Systems of Governance's usage of e-procurement in the construction of central coordination of suppliers' management with a mean of 4.03. E-procurement helps them manage and expand their supplier database. In addition, the research found that the devolved form of government uses e-procurement in the standardization of services for catalog representation. This conclusion is consistent with Giunipero and Sawchuk's (2000) research, which found that in e-procurement, requesters directly search for and pick items from an electronic catalogue that have been approved and negotiated in advance by strategic procurement.

Furthermore, the majority of respondents, with a mean of 4.06, said that they utilize e-procurement for worldwide sourcing of products and services. E-procurement also aids the devolved governance structure in lowering expenses in areas such as bidding, payment, and contract administration. According to Corsi (2006), E-procurement is the process of doing procurement services such as identifying requirements, tendering process, payment, and contract administration utilizing electronic techniques through the internet, which substantially saves operational expenses. However, 27% of respondents believed that e-procurement does not save operational costs. This might be due to the substantial capital investment necessary to build a robust infrastructure for e-procurement to grow and reap the advantages.

Finally, the survey found that the majority of Devolved Systems of Governance embrace e-procurement to match their procurement strategy with the needs and requirements of their residents, with a mean of 4.10. This conclusion supports Oyuke and Shale's (2014) research, which found that e-procurement programs are often part of a country's overall e-Government efforts to better serve residents and enterprises in the digital economy. Many government agencies have adopted the use of computers to manage their procurement processes, resulting in many advantages.

4.5.3 Results of Strategic Negotiation Practice

The study sought to examine influence of strategic negotiation practice on performance of Devolved systems of Governance in Kenya. This objective was measured using opinion statements on the Likert scale table of (1=Strongly Disagree, 2=Disagree, 3= Neither agree nor disagree, 4=Agree, 5=Strongly Agree).

The respondents were asked to score their agreement with strategic negotiating practice opinion statements that are implemented in Kenya's devolved systems of governance. On a scale of strongly disagree, disagree, neither agree nor disagree, agree, and highly agree, this was scored. The score strongly agree shows a high level of influence on the performance of the Devolved Systems of Governance and is similar to a likert scale score of 4.1 to 5.0. The score agree, which is comparable to a mean score of 3.1 to 4.0, indicates that the performance of the Devolved Systems of Governance has a significant impact. The score of neither agree nor disapprove indicates a neutral impact on the functioning of the Devolved Systems of Governance, and is comparable to a mean score of 2.1 to 3.0. The disagree ratings reflect low influence of Devolved Systems of Governance performance and are equal to a mean score of 1.1 to 2.0, while the strongly disagree values show extremely low influence of Devolved Systems of Governance performance and are comparable to a mean score of 0.1 to 1.0. A standard deviation of higher than one indicates that the responses varied significantly. Table 4.18 shows the outcome of the analysis.

Table 4.18: Strategic Negotiation practice

Opinion Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
Enable to obtain a fair price for the specified quality of the item, delivery and payment terms	1.3	2.5	5.0	56.9	34.4	4.21	0.753
We work out the best alternative to a negotiation agreement before starting negotiation	1.3	2.5	1.3	55.6	39.4	4.29	0.732
We use both competitive and co-operative negotiation depending various circumstances	3.8	1.3	12.5	49.4	33.1	4.07	0.919
We consider multiple attributes when selecting negotiation approaches e.g capacity	5.0	5.6	8.8	50.0	30.6	3.96	1.036
Enable to decide on the frequency of progress reports	0.0	3.8	11.3	51.9	33.1	4.14	0.759
Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates	5.0	1.3	3.8	46.3	43.8	4.23	0.964
composite score						4.15	0.861

It was found out from Table 4.18 that a majority of respondents said that their Devolved Systems of Governance uses negotiations strategically to get fair prices for the goods they want, set a delivery time, decide on the packaging of the goods and how they will be shipped as well as other things. The main goals of negotiation for an organization are to get a fair price for the item, agree on the delivery time, decide on the packaging, packing, and transportation method, agree on the payment terms, agree on the liability for claims and damages, talk about incentives like discounts, bonus clauses, and decide how often progress reports will be sent.

Similarly, the majority of respondents (4.29 percent) believed that their Devolved systems of governance has accepted the usage of the best alternative to a negotiating agreement before beginning negotiations. This is because supplier talks are continuously shifting, giving the impression that something is always going on. This conclusion is consistent with Metty et al. (2005), who discovered that a variety of variables impact the negotiation flow. Time, environment, personalities, information, personal concerns, and hierarchy are the most common aspects that influence how a

negotiation plays out, therefore procurement companies should think out the best alternative to a negotiation agreement before negotiating (BATNA).

Furthermore, it was shown that the majority of respondents, with a mean of 4.07, agreed that while negotiating with suppliers, their Devolved systems of governance used both competitive and cooperative techniques. The best method will be determined by the circumstances. This conclusion is consistent with Black's (2009) research, which found that competitive negotiations are generally connected with a frigid climate, with both sides trying everything they can to secure the best deal for themselves, which usually means that the other party's goals are ignored. When the Devolved systems of governance's interests and those of the other party are clearly at odds, when the other party insists on taking a win-lose approach, when the Devolved systems of governance does not require a long-term harmonious relationship, when the County government is powerful enough to prevail, and when short-term goals are more important, the County government should use this approach. In addition, disagreement is reduced in cooperative negotiations, and the goal is to achieve a solution that benefits everyone (Black, 2009). Because there is considerably greater communication between the participants, this strategy frequently yields the best outcomes.

Furthermore, with a mean of 3.96, respondents agreed that while choosing negotiating techniques and supplier skills, their Devolved systems of governance considers a number of diverse factors. This research supports the findings of (Bui et al., 2001), who discovered that negotiating tactics should take into account many factors and be capable of maximizing both buyer and supplier interests. Furthermore, a research by Warkentin et al. (2001) stressed the need of organized discussions in business-to-business (B2B) exchanges, and indicated that digital transactions should assist conversations between buyers and suppliers. Furthermore, scenario preparation is a key element in the negotiating process (Metty et al., 2005).

Furthermore, a majority of 4.14 agreed that decentralized systems of government conduct negotiation should be used to determine how often suppliers may give progress reports throughout the contract execution period. As a result, the results are

consistent with the research discovered that Kenya's devolved governance negotiates with suppliers on common inspection procedures, inspection times and locations, and the form and kind of test certifications. The findings are consistent with Weissman (2019), who discovered that in order for a negotiation to be successful, the buyer must focus on key successful indicators such as time, quality, and price. By doing so, the buyer will see an increase in supplier quality, prompt delivery, and good quality information.

4.5.4 Results of Strategic Contract Management Practice

The goal of the research was to see how strategic contract management practices influence the performance of Devolved systems of governance. This goal was assessed using statements from the Likert scale (1=Strongly Disagree, 2=Disagree, 3=neither agree nor disagree, 4=Agree, 5=Strongly Agree).

Strategic contract management is important in Kenya's Devolved Systems of Governance. People were asked to indicate how much they agreed with that. This was on a scale of strongly disagree, disagree, neither agree nor disagree, Agree and strongly agree, and neither agree nor disagree. There is a lot of power in the Devolved Systems of Governance because of this score. It has been taken to be equivalent to a mean likert score of 4.1 to 5.0. Getting a score of agree means that the Devolved Systems of Governance is having a big impact on how well it works. This is equivalent to getting a score of 3.1 to 4.0. The score that doesn't agree or disagree with the way the Devolved Systems of Governance works is called a "neutral" score and is thought to be between 2.1 and 3.0. People who disagree with the Devolved Systems of Governance say that it has a small effect on how well it works. People who strongly disagree say that it has a small effect on how well it works and that it has a small effect on how well it works. A standard deviation of more than one means that there is a big difference between the people who answered. In Table 4.19, you can see the results of the study.

Table 4.19: Strategic Contract management practice

Opinion Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
Contract management helps in ensuring materials and services delivered meet the required standards	1.3	1.3	8.8	47.5	41.3	4.26	0.773
There are explicit standards and measures of performance between different stakeholders in county government	1.3	3.8	16.3	51.9	26.9	3.99	0.836
Contract administration ensures obligations and responsibility defined under contract are met	1.3	0.6	16.3	50.0	31.9	4.11	0.782
Contract management team emphasis on continuous improvement and achievement of results	1.3	5.0	19.4	35.0	39.4	4.06	0.950
Actors along the chain have efficient and secure sources for collecting and analyzing customer information	1.3	2.5	17.5	44.4	34.4	4.08	0.854
Actors have good contract management skills to win and retain customers and sell or purchase items at favorable prices	1.3	4.4	18.1	40.6	35.6	4.05	0.910
composite score						4.09	0.851

From the study findings, it was revealed that majority of respondents strongly acknowledged that their Devolved Systems of Governance participate in strategic contract management to help them in ensuring materials and services delivered meet the required standards and they have put explicit standards and measures of performance between different stakeholders in Devolved systems of governance with a mean of 4.26 and 3.99 respectively. However, some small of the respondents (22%) indicate that their Devolved Systems of Governance do not have explicit standards and measures of performance between different stakeholders in county government.

Also, the study established that majority of respondents with a mean of 4.11 strongly agreed that contract administration in their Devolved Systems of Governance ensures obligations and responsibility defined under contract are met, contract management team put by Devolved systems government emphasis on continuous improvement and achievement of results, actors along the chains have efficient and secure sources for collecting and analyzing customer information and have good contract management skills to win and retain customers and sell or purchase of items at favorable prices with the mean of 4.06, 4.08 and 4.05 respectively.

Contract management in procurement is meant to make sure that services are always delivered on time and to a high standard, and payments or penalties are made accordingly; contractual responsibilities and risk allocations are kept in practice, and the parties' responsibilities and risks are managed efficiently; changes in the outside world, such as both risk and reward, are also taken into account (EPEC, 2014). Rotich (2013) said that effective contract management and monitoring helps improve the quality of goods and services and cut procurement costs. This helps achieve three main goals: quality goods and services, timely delivery of goods and services, and cost efficiency.

Likewise, Chepng'etich, Waiganjo, and Karani, (2016) found out that effective contract management practice in Kenya Power and Lighting Corporation has led to completion of projects within set budget and period, has enabled the organization achieve competitive advantage and has led to reduction on supply chain costs.

4.5.5 Results of Moderating Effect of Public Procurement Acts and Regulations

The goal of the study was to find out how public procurement laws and regulations in Kenya might affect the performance of Kenya's Devolved systems of governance. Opinion statements were used to measure this goal on the Likert scale table: 1=Strongly Disagree, 2=Disagree, 3= neither agree nor disagree, 4=Agree, and 5=Strongly Agree.

The respondents were asked to assess how much they believed that public procurement legislation and rules had a moderating influence on strategic procurement practices and performance in Kenya's Devolved systems of governance. On a scale of strongly disagree, disagree, neither agree nor disagree, agree, and highly agree, this was scored. The score strongly agree indicates that strategic procurement practices and performance of the Devolved Systems of Governance have a significant impact, and is comparable to a mean score of 4.1 to 5.0 on the Likert scale. The score agrees, which is comparable to a mean score of 3.1 to 4.0, reflects a strong effect of strategic procurement practices and performance of the Devolved Systems of Governance. The score of neither agree nor disagree represents a neutral impact of strategic procurement procedures and performance in the

Devolved Systems of Governance, and is similar to a mean score of 2.1 to 3.0. The score strongly disagree represents extremely low effect of strategic procurement methods and performance of the Devolved Systems of Governance and is comparable to a mean score of 0.1 to 1.0. A standard deviation of higher than one indicates that the responses varied significantly. Table 4.20 shows the outcome of the analysis.

Table 4.20: Moderating Effect of Public Procurement Acts and Regulations on Strategic Procurement Practices

Opinion Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
It provides framework of administration of procurement contracts	1.3	1.3	11.3	42.5	43.8	4.26	0.805
It provides framework of implementation and management of all steps in procurement cycle	1.3	5.6	5.0	48.8	39.4	4.19	0.865
It provides framework of item judgment and application of discretion to procurement decision such as e-procurement	2.5	2.5	15.0	48.1	31.9	4.04	0.893
It provides required procurement document, records management	2.5	6.3	10.0	44.4	36.9	4.07	0.972
It provides institutional framework that arranges for carrying out public procurement	2.5	2.5	8.8	41.3	45.0	4.24	0.901
composite score						4.16	0.887

From the Table 4.20, it indicate that majority of the respondents highly agreed that public procurement act and regulation provide Devolved Systems of Governance with framework of administration of procurement contracts, framework of implementation and management of all steps in procurement cycle, framework of item judgment and application of discretion to procurement decision such as e-

procurement, provides required procurement document, records management and institutional framework that arranges for carrying out public procurement.

These results are in line with the Public Procurement and Asset Disposal Act of 2015 which provides framework in which procurement of goods, services and works should be performed right from user identification, specification development, supplier sourcing and selection, contract management, expediting, contract execution and delivery to receiving and disposal. Devolved Systems of Governance must work within the framework provided by Public Procurement and Asset Disposal Act of 2015 in matters of administering procurement contracts, initiating procurement of goods, services and works, e-procurement issues and record management. Thus, all strategic procurement practices must operate within Public Procurement and Asset Disposal Act of 2015 and consequently affect the performance of Devolved Systems of Governance in one way or the other.

4.5.6 Performance of Devolved Systems of Governance

The dependent variable namely performance of Devolved Systems of Governance construct was measured using percentage rating across the years. The Table in 4.21 indicates the average percentage rating across the last five years.

Table 4.21: Performance of Devolved Systems of Governance

Measure of Performance of Devolved system of Government	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
Rate of procurement productivity	43.547	53.642	58.175	65.667	72.663
Procurement cost saved	44.301	53.849	57.660	65.733	72.293
Quality of goods, services and works offered and supplied	48.516	55.351	63.505	70.960	76.049
Customer satisfaction index	55.326	55.295	61.535	66.646	69.881
goods, services and works supplied and completed just in time	51.945	57.582	60.947	67.303	72.758

From the results in Table 4.21, it shows that the rate of procurement productivity for the last five years has been increasing gradually in Devolved Systems of Governance. In the year 2013 the rate of procurement productivity was below 50%

this was because at that time most Devolved Systems of Governance were conceived at that time and the procurement structures were not in place. However, the rate of procurement productivity has been improving as result of all Devolved Systems of Governance have put in place procurement structures and well equipped with professional employees. This has improved the procurement productivity of Devolved Systems of Governance.

Also regarding on quality of goods, services and works offered and supplied in Devolved Systems of Governance, the quality has been improving for the last five years. This because the Devolved Systems of Governance through procurement departments have created stable suppliers data base and have put in place stringent policies and procedures in selecting suppliers. Devolved Systems of Governance have maintained lean supplier base which they can be able to manage and this has led to the reduction of procurement operation costs for the last five years.

In addition, customer satisfaction index has been increasing gradually for the last five in Devolved Systems of Governance. The internal customers who respondent noted that for the last five years, Devolved Systems of Governance have been able to meet their requirements. This is because majority of Devolved Systems of Governance incorporate the users need more often before actual procurement of goods and services. Also, Devolved Systems of Governance procure goods, services and works just in time.

4.6 Correlation Analysis

Correlation was utilized to investigate the link between the independent variables, which helped with the multicollinearity test. A correlation of greater than 0.90 indicates that the variables are likely measuring the same thing (Tabachnick & Fidell, 2013). The correlation coefficients between research variables are shown in Table 4.21. Strategic e-procurement practice and performance of the Devolved Systems of Governance had the strongest correlation value in the research (r=0.704, p0.05).

Strategic supplier, strategic negotiations, strategic contract management practice, and Devolved Systems of Governance performance all had positive and significant correlations (r=0.684, 0.675, 0.560, p0.05).

All of the correlations were less than 0.90, indicating that the variables were sufficiently diverse measurements of separate factors, and so all of the variables were included in the research.

Table 4.22: Correlations of Study Variables

		performance of Devolved Systems of Governance	Strategic Supplier Relationships	Strategic E-procurement practice	Strategic Negotiation practice	Strategic Contract management practice	Public procurement acts and regulations
performance of Devolved Systems of Governance	Pearson Correlation	1	.684**	.704**	.675**	.560**	.672**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	160	160	160	160	160	160
Strategic Supplier Relationships	Pearson Correlation	.684**	1	.697**	.435**	.312**	.326**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	160	160	160	160	160	160
Strategic E-procurement practice	Pearson Correlation	.704**	.697**	1	.556**	.410**	.434**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	160	160	160	160	160	160
Strategic Negotiation practice	Pearson Correlation	.675**	.435**	-.556**	1	.498**	.518**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	160	160	160	160	160	160
Strategic Contract management practice	Pearson Correlation	.560**	.312**	.410**	.498**	1	.313**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	160	160	160	160	160	160
Public procurement acts and regulations	Pearson Correlation	.672**	.326**	.434**	.518**	.313**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	160	160	160	160	160	160

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

In addition, the research found a positive significant linear association between strategic supplier relationships and government decentralized system performance. The correlation coefficient of 0.684 at 0.01, significance level, as reported in Table 4.22, demonstrated this association. This meant there was a significant link between key supplier relationships and the functioning of Kenya's devolved government institutions. The act of two or more chain members working together to generate a competitive advantage by exchanging information, making joint choices, and sharing gains that emerge from better profitability of serving customer demands than acting alone is known as strategic supplier partnership (Simatupang & Sridharan, 2002). Strategic supplier relationship involves four important elements namely; direct supplier involvement, Joint product development and design, information sharing and supplier capability development (Gadde *et al.*, 2010). Therefore, information sharing amongst the one that plays a key role in enhancing company's competitive advantage and differentiation in the eye of the final customer, hence the overall improvement in the performance of the organization (Tunisini & Sebastiani, 2015).

A Pearson correlation coefficient of 0.704 at a significance level shows that Kenya's Devolved Systems of Governance had a positive strong linear relationship with strategic e-procurement practice in Kenya. This is shown in Table 4.22, which shows the results of the study. This meant that there was a link between strategic e-procurement and the performance of the Devolved Systems of Governance. Thus, the automation of systems and central coordination of suppliers is very important for the success of an organization because it has led to a more transparent supply chain, which has cut down on the cost of purchasing for the organization, which in turn has led to a better overall performance of the organization (Kirimi & Noor, 2014).

Furthermore, the research found that strategic negotiating practice had a positive significant linear link with the performance of Kenya's devolved governance. Table 4.22 shows that this link has a Pearson correlation coefficient of 0.675 at a significance level of 0.01. This meant that there was a strong link between strategic negotiating technique and the performance of Kenya's devolved governance structure. Strategic negotiation practices, according to the literature, assist an organization in obtaining a fair price for the specified quality of the item, agreeing on

the delivery period, deciding on the packaging, packing, and method of transportation, agreeing on the payment terms, agreeing on the liability for claims and damages, discussing incentives such as discounts and bonus clauses, deciding on the frequency of progress reports, and agreeing on the common methods of inspection, time and place of inspection (Lysons & Farrington, 2006).

Similarly, strategic contract management exhibited a substantial positive linear link with the success of Kenya's devolved government. Table 4.22 shows this link with a Pearson correlation value of 0.56 at the 0.01% significance level. This indicated that contract management and the performance of Kenya's devolved governance systems had a very favourable connection. According to Rotich (2013), efficient contract administration and monitoring improves the quality of goods and services while lowering procurement costs, meeting three main goals: quality products and services, timely delivery of products and services, and cost efficiency. Effective contract management practices in businesses have resulted in projects being completed on time and on budget, allowing the company to gain a competitive edge, and lowering supply chain costs (Chepng'etich, Waiganjo, & Karani, 2016).

4.7 Diagnostics Tests of Regression Model

When properly calculated, linear regression analysis is a strong statistical model. The model looks for patterns in the independent variable to predict the dependent variable. In order for linear regression to stay acceptable in data prediction, the model must make assumptions on the data (Hayes, 2015). Various diagnostic tests are performed on the data before the regression model is estimated in this part. To make data analysis easier, the multicollinearity, normalcy, heteroscedasticity, and linearity tests were used.

4.7.1 Multicollinearity Test

Multicollinearity was checked on the data by looking at the VIF (variance inflation factor) and the tolerance (1/VIF). If the value of VIF is more than 3, the independent variables are said to be collinear (Schwarz, Schwarz and black, 2014). There are VIF

values in Table 4.22 that range from 1.378 to 1.956, which means there isn't a problem with multicollinearity in the data.

Table 4.23: Test of multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
Strategic Supplier Relationships	0.511	1.956
Strategic E-procurement practice	0.717	1.394
Strategic Negotiation practice	0.600	1.665
Strategic Contract management practice	0.726	1.378

a. Dependent Variable: Performance of Devolved systems of Governance

4.7.2 Normality Test

The test statistic in a regression model needs to follow a probability distribution that is easy to handle, like the Normal distribution. Normality can be checked by looking at the residuals and seeing if they have a normal distribution (Kline, 2010). Normal QQ plots were used to figure out where the error terms in the model were spread out. Figures 4.1 to 4.6 show that the line representing the actual data distribution closely follows the diagonal in the normal Q-Q plot. This means that the data is normal (Hair, Tatham, Anderson & Black, 2006). The results are in line with a study by Busu and Busu (2016) that looked at the satisfaction level of hotel service customers in Romania. They found that the normal Q-Q plot was the best way to test for normality.

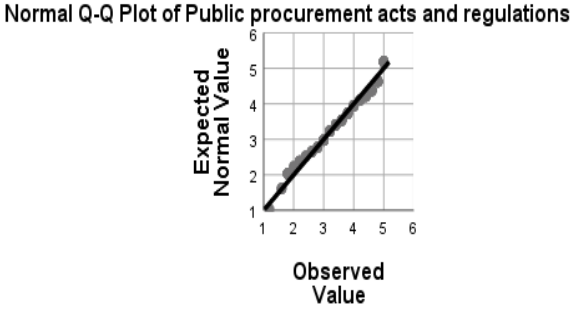

Figure 4.1: Q-Q plot of Public procurement Acts and Regulations

Figure 4.2: Q-Q plot of Strategic Negotiation Practice

Figure 4.3: Q-Q plot of Strategic contract management Practice

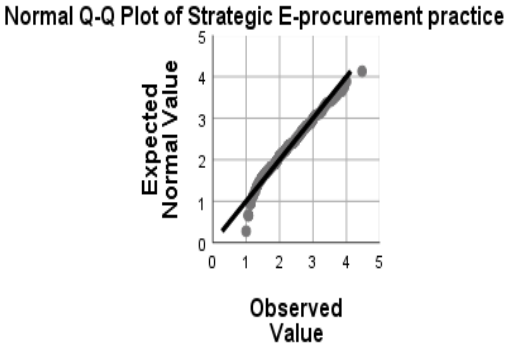

Figure 4.4: Q-Q plot of Strategic E-Procurement Practice

Figure 4.5: Q-Q plot of Strategic Supplier Relationships Practice

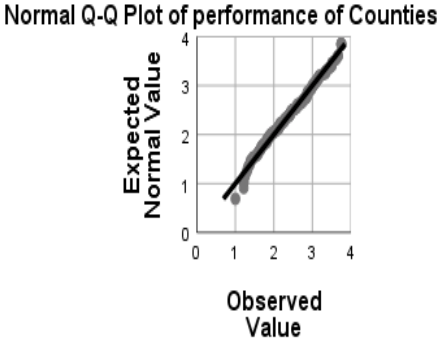

Figure 4.6: Q-Q Plot of Performances of Devolved Systems of Governance

4.7.3 Test for Normality using Shaphiro-wilk Test

The Shaphiro Wilk test for normality produces a p value that indicates whether the probability estimation follows a normal distribution. All predictors and dependent constructs are subjected to the Shaphiro Wilk test. If the p-value is more than.05, the data is considered normal (Shapiro & Wilk, 1965). Table 4.24 shows that all of the variables had significance levels greater than.05, indicating that all of the variables were normally distributed and that more statistical analysis will be performed on the data.

Table 4.24: Shaphiro-wilk Test

	Shapiro-Wilk		
Variables	**Statistic**	**Df**	**Sig.**
performance of Devolved system of Government	.984	160	.056
Strategic Negotiation practice	.997	160	.988
Strategic Contract management practice	.986	160	.108
Strategic E-procurement practice	.989	160	.246
Strategic Supplier Relationships	.994	160	.755
Public procurement acts and regulations	.998	160	.999

a. Lilliefors Significance Correction

4.7.4 Heteroscedasticity Test

When the variance of errors changes between data, heteroscedasticity arises, resulting in an unbiased OLS estimator that is inefficient (long and Ervin, 2000). To calculate heteroscedasticity, the researchers employed the Breusch-Pagan and Koenker tests. The null hypothesis that the variances of the error terms are constant is tested by Breusch-Pagan and Koenker. When the significant result is less than 5%, the test rejects the null hypothesis (Daryanto, 2013). The findings of the Breusch-Pagan and Koenker tests are shown in Table 4.25. Table 4.25 shows that heteroscedasticity was not an issue, with significant values greater than 5%.

Table 4.25: Breusch-Pagan and Koenker test statistics and sig-values

Tests	**LM**	**Sig**
BP	1.089	.580
Koenker	1.211	.546

4.8 Test of Hypothesis

The section looks at the study hypothesis that was based on the research goals. Its goal is to find out if there are any existing relationships between the study variables. The goal of regression analysis is to show high R^2 and significant t-values, which means that the null hypothesis of no influence is false. This means that when there are parameters with an absolute t-value greater than 1.96, they show that the significance level is 0.05 (i.e., p 0.05).

4.8.1 Strategic Supplier Relationships and Performance of Devolved Systems of Governance in Kenya

The first goal was to find out how strategic supplier relationships affect the performance of Kenya's Devolved systems of governance. Respondents were asked to rate how many items were used to measure strategic supplier relationships. The exploratory factor analysis helped to improve the factor (EFA). The items that were kept from the strategic supplier relationships factor were checked for reliability and validity. Using the Principal Component Analysis (PCA) algorithm, the strategic supplier relationships composite index was made up. The Shapiro-Wilk test was used to see if the strategic supplier relationships construct was normal. This test compares the scores in the population of study to a set of scores that are normally distributed. People thought the data was normal because the results were not significant at p 0.05, so they thought it was.

The research hypothesis formulated from the specific research objective was

H_{01}: Strategic supplier relationships practice has no significant influence on performance of Devolved Systems of Governance in Kenya.

The association between strategic supplier relationships and the performance of Kenya's devolved governance was tested using linear regression to test the aforementioned hypothesis. The direction and intensity of the associations were determined using path coefficients, while the significance of the relationships was determined using T statistics. Table 4.26 summarizes the findings.

Table 4.26: Model Summary of Strategic Supplier Relationships.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684[a]	.468	.465	.48141

a. Predictors: (Constant), Strategic Supplier Relationships

The R^2 for the regression model between strategic supplier relationships and performance Devolved Systems of Governance in Kenya was 0.468 meaning that strategic supplier relationships explain 46.8 % variation in the performance of Devolved Systems of Governance in Kenya while the remaining variation is explained by the error term.

Table 4.27: ANOVA[a] of Strategic Supplier Relationships

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.210	1	32.210	138.980	.000[b]
	Residual	36.618	158	.232		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Strategic Supplier Relationships

The findings of the analysis of variance are shown in Table 4.27. (ANOVA). With a p value of 0.000, the findings show that the whole model was statistically significant. An F statistic of 138.980 and a reported p value (0.000) that was less than the customary significance limit of 0.05 corroborated this. According to the findings, strategic supplier relationships are a good predictor of company success.

Table 4.28: Coefficients[a] of Strategic Supplier Relationships

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.810	.122		31.159	.000
	Strategic Supplier Relationships	.657	.056	.684	11.789	.000

a. Dependent Variable: performance of Devolved Systems of Governance

The regression model obtained from the output was

Performance =3.810 +0.657 strategic supplier relationships + error

The standardized regression coefficient for strategic supplier relationships was 0.684. This indicated that a unit increase in the strategic supplier relationships would result in 68.4% increase in the performance of Devolved Systems of Governance in Kenya. At the 5% level of significance, the t-statistic for the regression coefficient for strategic supplier ties was significant (T=11.789, p0.05), suggesting rejection of the null hypothesis. The research suggests that there is a substantial positive association between strategic supplier relationships and performance in Kenya's Devolved Systems of Governance based on these figures. Tunisini and Sebastiani (2015) suggested that strategic supplier connections are critical in supporting a company's competitive advantage and distinctiveness in the eyes of the ultimate customer, and the outcomes of this research supported their argument. Furthermore, strategic supplier relationships serve a rationalization function, assisting the company's efficiency and allowing minor sacrifices for its customers, as well as a developmental function, assisting the company's development of innovation and capabilities and, as a result, assisting the increase of benefits perceived by the company's customers (Gadde et al., 2010).

Strategic supplier relationship has enabled integration of demand and supply chain processes hence it has resulted on companies creating and delivering superior customer value thanks to the shared generation, dissemination, interpretation and application of real-time customer demand as well as ongoing supply capacity constraints (Esper *et al.*, 2010). Strategic supplier relationship have been identified to enhance firm's operational performance, through buyer-suppliers open communication coordination has been improve amongst supply chain members this has led to high level of trust and mutual understanding amongst the buyer and supplier. Customer satisfaction levels also has been seen to increase, since the customer openly communicate to the organization on what he need thus cost reduction since the organization is producing based on actual demand. Strategic supplier relationship management has also enabled joint buyer-supplier decision making, this result in the buyer taking advantage of supplier's expertise hence high level of quality outputs. (Onyango et al., 2015). Strategic supplier relationship has enhanced the long-term competitive advantage of a firm, many firms have sought to building strategic relationship with suppliers, especially those suppliers who supply strategic items to the firm. This has resulted to mutual benefits between the buyer and supplier, the buyer gets to enjoy uninterrupted supply of high quality inputs with quantity discounts while on the other hand the supplier enjoys bonuses and incentives from the buyer (Shahzad et al., 2018).

4.8.2 Strategic E-Procurement and Performance of Devolved Systems of Governance in Kenya

The second goal was to find out how strategic e-procurement practice in Kenya affects the performance of the Devolved government. Respondents were asked to rate how many items were used to measure strategic e-procurement practice. The exploratory factor analysis helped to improve the factor (EFA). The retained items of strategic e-procurement practice factor were assessed for reliability and validity. The strategic e-procurement practice composite index was computed using Principal component analysis (PCA) algorithm. The Shapiro-Wilk test was used to check the normality of the strategic e-procurement practice construct. This test compares the scores in the population of study to a set of scores that are normally distributed.

People thought the data was normal because the results were not significant at p 0.05, so they thought it was.

The research hypothesis formulated from the specific research objective was

H_{02}: Strategic e-procurement practice has no significant influence on performance of Devolved Systems of Governance in Kenya.

The association between strategic e-procurement practice and performance of Kenya's Devolved Systems of Governance was tested using linear regression to test the aforementioned hypothesis. The direction and intensity of the associations were determined using path coefficients, while the significance of the relationships was determined using T=statistics.

Table 4.29: Model Summary of Strategic E-Procurement Practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704[a]	.496	.492	.46875

- Predictors: (Constant), Strategic E-procurement practice

Above, Table 4.29 shows how well the regression model worked when it came to explaining the study's findings. Devolved Systems of Governance in Kenya had an R^2 of 0.496, which means that Strategic e-procurement practice is responsible for 49% of the variation in the performance of the system. The rest of the variation is explained by the error term.

Table 4.30: ANOVA[a] of Strategic E-Procurement Practice

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.111	1	34.111	155.245	.000[b]
	Residual	34.717	158	.220		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance
b. Predictors: (Constant), Strategic E-procurement practice

The findings of the analysis of variance are shown in Table 4.30. (ANOVA). With a p value of 0.000, the findings show that the whole model was statistically significant. An F statistic of 155.245 was used to support this, as was the stated p value (0.000), which was less than the normal significance threshold of 0.05. The findings suggest that strategic e-procurement may accurately predict company success.

Table 4.31: Coefficientsa of Strategic E-Procurement Practice

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.852	.119		32.318	.000
	Strategic E-procurement practice	.640	.051	.704	12.460	.000

a. Dependent Variable: Performance of Devolved Systems of Governance

The regression model obtained from the output was

Performance =3.852 +0.640 Strategic e-procurement practice + error

Strategic e-procurement practice has a standardized regression coefficient of 0.704. This means that increasing the Strategic e-procurement practice by one unit will result in a 70.4 percent rise in the performance of Kenya's devolved government. At a 5% level of significance, the t-statistic for the regression coefficient for Strategic e-procurement practice was significant (T=12.460, p0.05), meaning that the null hypothesis was rejected. The research suggests that there is a substantial beneficial association between strategic e-procurement practice and the performance of Kenya's Devolved Systems of Governance based on these figures. This research supports the findings of Giunipero and Sawchuk (2000), who found that the use of internet technologies in procurement has enabled organizations to achieve faster and more efficient operational procurement processes, bypassing the purchasing department and allowing those individuals to focus on more strategic tasks.

Noor, Guyo and Iravo (2013) noted that e-procurement helps a firm significantly reduce paper work and increased productivity of clerical staff hence improvement on customer service levels. The researchers also pinpointed that that E-procurement software system reduces time and effort required to complete purchasing transactions hence reduction on procurement cost resulting in increase of corporate profitability. E-procurement has enabled supply chain integration and information sharing, information sharing therefore have increased the rate of order fulfilment since the organization have clear information on what and when the customer wants the order, therefore reducing uncertainty in the supply chain. Supply chain integration on the hand has enabled the firm produce highly customized products at a lower cost, therefore impacting positively on the customer satisfaction (Chang et al., 2012). E-procurement has led to cost reduction and reduction on transactional time, this has been realized by the fact that paperwork has been eliminated. E-procurement has also impacted on the transparency of the procurement process through improvement of quality of information shared and reduction on transactional errors since everything is automated (Gardenal, 2013).

4.8.3 Strategic Negotiation Practice and Performance of Devolved Systems of Governance in Kenya

The third objective was to look into the influence of strategic negotiation practice on the performance of Kenya's devolved systems of governance. The participants were asked to judge the degree to which elements measuring strategic negotiating practice were included in the survey. Exploratory factor analysis was used to fine-tune the factor (EFA). The reliability and validity of the strategic negotiating practice factor's items were tested. The principal component analysis (PCA) technique was used to calculate the strategic negotiating practice composite index. The Shapiro-Wilk test was used to determine the normality of the strategic negotiating practice construct, which compares the scores in the research population to a normally distributed set of scores. The data was considered to be normally distributed since the findings were not significant at p.05.

The research hypothesis was developed from the particular research goal.

H_{03}: Strategic negotiation practice has no significant influence on Performance of Devolved Systems of Governance in Kenya.

The association between strategic negotiating practice and performance of Kenya's Devolved Systems of Governance was tested using linear regression to test the aforementioned hypothesis. The direction and intensity of the associations were determined using path coefficients, while the significance of the relationships was determined using T=statistics.

Table 4.32: Model Summary of strategic negotiation practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.675[a]	.456	.452	.48691

a. Predictors: (Constant), Strategic Negotiation practice

The fitness of the regression model employed to describe the research phenomena is provided in table 4.32. The R^2 for the regression model between Strategic negotiation practice and Devolved Systems of Governance performance in Kenya was 0.456, indicating that Strategic negotiation practice explains 45.6 percent of the variation in Devolved Systems of Governance performance in Kenya, with the error term accounting for the remaining variation.

Table 4.33: ANOVA[a] of Strategic Negotiation Practice

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.369	1	31.369	132.311	.000[b]
	Residual	37.459	158	.237		
	Total	68.828	159			

a. Dependent Variable: performance of Devolved Systems of Governance
b. b. Predictors: (Constant), Strategic Negotiation practice

The findings of the analysis of variance are shown in Table 4.33. (ANOVA). With a p value of 0.000, the findings show that the whole model was statistically significant. An F statistic of 132.311 was used to support this, as was the stated p value (0.000), which was less than the standard significance threshold of 0.05. Strategic bargaining is an excellent predictor of corporate success, according to the findings.

Table 4.34: Coefficients[a] of Strategic Negotiation Practice

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	Std. Error	Beta		
1	(Constant)	1.145	.119		9.626	.000
	Strategic Negotiation practice	.407	.035	.675	11.503	.000

a. Dependent Variable: performance of Devolved Systems of Governance

The regression model obtained from the output was

Performance =1.145 +0.407 Strategic negotiation practice + error

Strategic negotiating practice had a standardized regression coefficient of 0.675. This means that increasing the strategic negotiating practice by one unit will result in a 67.5 percent improvement in the performance of Kenya's devolved systems of governance. At a 5% level of significance, the t-statistic for the regression coefficient for Strategic negotiating practice was significant (T=11.503, p0.05), rejecting the null hypothesis. The research suggests that there is a substantial positive association between strategic negotiating practice and performance under Kenya's Devolved Systems of Governance based on these figures. This study's results are consistent with those of previous research. According to Atkin and Rinehart (2006), an

integrated negotiating technique resulted in reduced coercion, resulting in a high degree of satisfaction with the connection built, which influenced contract formality favorably. Effective negotiating and the achievement of procurement objectives, according to Ayantoyinbo and Oguntola (2018), have a favorable link. Preparation before a negotiation has a favorable influence on the result; knowing the pricing, delivery, and delivery time of a provider makes negotiating more successful.

Using strategic negotiation techniques, an organization can get a fair price for the item it wants, agree on the delivery time, decide on the packaging and shipping method, agree on the payment terms, and agree on the liability for claims and damages, among other things. They also decide on how often they'll report on how things are going and what kind of tests they'll do (Lysons & Farrington, 2006).

Integrative kind of negotiation is associated with positive outcome, this is because during integrative negotiation both the buyer and supplier works towards a win-win outcome. The buyer makes concession by putting the interest of the supplier first, the buyer knows that the supplier is in business and therefore will not ask for a price that will squeeze suppliers profit margins but rather a reasonable price, on the other hand the supplier will not quote unreasonably high price, but a good price that will enable the buyer get value for their own money hence resulting in a more satisfactory negotiation with less conflicts. When the supplier is satisfied with the process, they will on the other hand provide good discounts to the buying organization, therefore resulting in reduction of overall purchasing cost, hence better performance (Jazbek, 2019).

Strategic negotiation can be also be viewed as both integrative and competitive approach to negotiation. Competitive negotiation is viewed as strategic especially when a firm is procuring low value purchases, with less supply complexity, for this case the buying firm will take advantage of the best price due to the fact that suppliers are easily available, hence it will not add value in investing a lot in this kind or relationship, since the buying organization might end up being locked in long unproductive kind of relationship and also it might encourage supplier complacency. On the other hand integrative kind of relationship can be viewed as strategic

especially if the buying organization are procuring high value goods which are of strategic importance to the firm, accompanied by high supply complexity. For this case high level of trust amongst the buyer and supplier is necessary, since the buying organization may not want to risk losing a strategic supplier, therefore long-term investing in this kind of relationship is inevitable in assuring the success of an organization (Mochoge, 2017).

4.8.4 Strategic Contract Management Practice and Performance Devolved Systems of Governance in Kenya

The fourth objective was to examine influence of Strategic contract management practice on performance of Devolved Systems of Governance in Kenya. The respondents were asked to rate the extent of items measuring strategic contract management practice. The factor was refined through exploratory factor analysis (EFA). The retained items of Strategic contract management practice factor were assessed for reliability and validity. The Strategic contract management practice composite index was computed using Principal component analysis (PCA) algorithm. The Shapiro-Wilk test was used to check the normality of the Strategic contract management practice construct. This test compares the scores in the population of study to a set of scores that are normally distributed. People thought the data was normal because the results were not significant at p 0.05, so they thought it was.

The research hypothesis formulated from the specific research objective was

H_{03}: Strategic contract management practice has no significant influence on performance of Devolved Systems of Governance in Kenya.

The association between strategic contract management practice and performance of Kenya's Devolved Systems of Governance was tested using linear regression to test the aforementioned hypothesis. The direction and intensity of the associations were determined using path coefficients, while the significance of the relationships was determined using T=statistics. Table 4.35 summarizes the findings.

Table 4.35: Model Summary of Strategic Contract Management Practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.560[a]	.314	.310	.54669

a. Predictors: (Constant), Strategic Contract management practice

The results shown in table 4.35 show how well the regression model worked when it came to explaining the study. Strategic contract management practice had an R^2 of 0.314, which means that 31.4 percent of the variation in the performance of Kenya's Devolved Systems of Governance can be explained by this practice. The rest of the variation can be explained by the error term.

Table 4.36: Anova[a] of Strategic Contract Management Practice

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.607	1	21.607	72.297	.000[b]
	Residual	47.221	158	.299		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Strategic Contract management practice

The findings of the analysis of variance are shown in Table 4.36. (ANOVA). With a p value of 0.000, the findings show that the whole model was statistically significant. An F statistic of 72.297 and a reported p value (0.000) that was less than the customary significance limit of 0.05 corroborated this. According to the findings, strategic negotiation is a good predictor of company success.

Table 4.37: Coefficients[a] of Strategic Contract Management Practice

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.130	.275		.471	.638
	Strategic Contract management practice	.531	.062	.560	8.503	.000

a. Dependent Variable: Performance of Devolved Systems of Governance

The regression model obtained from the output was

Performance =.130 +0.531 Strategic contract management practice + error

The standard regression coefficient for strategic contract management practice was 0.560, which is about right. This means that if Kenya's Devolved Systems of Governance had more Strategic contract management, it would do better. The t-statistic for the regression coefficient for strategic contract management practice was significant at a 5% level of significance (T=8.503, p0.05), which means that the null hypothesis was not true. It comes from these statistics that the study says there is a moderately significant link between Strategic contract management practice and the performance of Kenya's Devolved Systems of Governance. Findings agreed with a study by Rotich (2013) that said that managing and monitoring contracts can improve the quality of goods and services as well as cut procurement costs, thus achieving three main goals: quality goods and services, timely delivery of goods and services, and cost efficiency." Effective contract management in businesses has led to projects being completed on time and on budget, giving the company a competitive advantage, and cutting costs in the supply chain (Chepng'etich, Waiganjo, & Karani, 2016).

Contract management is crucial in optimizing the efficiency, putting cost and risk at an equilibrium, providing economy of service in contractual relationship and

managing relationships amongst procurement parties. Proper cost management of contracts leads to reduction of time required to deliver the contract, since a firm will try as much as possible to fully utilize the available resources as the shortest possible period, this has therefore resulted in high level customer satisfaction and value for money for the customer (Dagba & Dagba, 2019)

4.8.5 Overall Regression Model

R^2 = 0.651, which means that 65.1 percent of the change in the performance of Kenya's Devolved Systems of Governance can be explained by a change in one unit of all the predictor variables together, as shown in Table 4.38. This means that a change in one unit of all the predictor variables together can explain 65.1 percent.

Table 4.38: Model Summary of Overall Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807[a]	.651	.644	.39241

a. Predictors: (Constant), Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice ,Strategic E-procurement practice

The findings of the analysis of variance are shown in Table 4.39. (ANOVA). The findings suggest that the total model was statistically significant as evidenced by a p value of 0.000 which is smaller than the essential p value of 0.05. The findings also suggest that the independent factors are effective predictors of company success. An F statistic of 92.999 was used to support this, as was the stated p value (0.000), which was less than the normal significance threshold of 0.05.

Table 4.39: ANOVA[a] of Overall Regression Model

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.584	4	12.146	92.999	.000[b]
	Residual	20.244	155	.131		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice

Table 4.40 shows that the coefficients 1= 0.337, 2= 0.212, 3=0.302, and 4=0.218 are substantially different from 0, with p values 0.000, and are less than p=0.05. This implies that there is a considerable positive link between independent factors and the success of Kenya's devolved systems of governance. Thus, strategic procurement methods such as strategic contract management, strategic supplier relationships, strategic negotiation, and strategic e-procurement contribute to the performance of Kenya's devolved systems of governance. The findings are consistent with those of Seshadri (2001), who stated that purchasing strategies such as cooperative negotiation have a positive impact on firm performance, and that using the cooperative process when negotiating with supplier's results in long-term collaborative relationships with suppliers, resulting in improved organizational performance. Collaboration and working with a small number of suppliers were highlighted as significant efficiency drivers, whereas collaborative contact focused at establishing long-term connections was indicated as a key effectiveness driver. As a result, efficiency rises as procurement costs fall, and effectiveness rises due to primarily intangible procurement features that lessen buyer cognitive dissonance.

Table 4.40: Coefficients[a] of Overall Regression Model

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.062	.271		7.616	.000
	Strategic Supplier Relationships	.324	.059	.337	5.538	.000
	Strategic E-procurement practice	.192	.061	.212	3.175	.002
	Strategic Negotiation practice	.182	.034	.302	5.379	.000
	Strategic Contract management practice	.206	.048	.218	4.258	.000

a. Dependent Variable: Performance of Devolved Systems of Governance

The estimated multiple regression model to estimate performance

$$Y= \beta_0 + \boldsymbol{\beta}_1 X_1 + \beta_2 X_2 + \boldsymbol{\beta}_3 X_3 + \boldsymbol{\beta}_4 X_4$$

The following model was used:

Y= Performance of Devolved Systems of Governance

2.062=constant

0.337=Strategic Supplier relationships practice

0.212= Strategic E-procurement practice

0.302= Strategic Negotiation practice

0.218= Strategic Contract management practice

4.8.6 Moderating Effect of Public Procurement Acts and Regulations on Strategic Procurement Practices and Performance of Devolved Systems of Governance in Kenya.

The fifth objective was to assess the moderating effect of Public procurement acts and regulations on strategic procurement practices and performance of Devolved system in Kenya. Public procurement acts was refined through exploratory factor analysis (EFA) then assessed for reliability and validity. The Public procurement acts composite index was computed using Principal component analysis (PCA) algorithm. Normality of public procurement acts and regulations construct was tested using Shapiro-Wilk test, which compares the scores in the population of study to a normally distributed set of scores. The results were not significant at 5% level of significance, and so the data was assumed to be normally distributed.

The research hypothesis formulated from the specific research objective was

H_{05}: Public procurement acts and regulations has no significant moderating effect on performance of Devolved Systems of Governance in Kenya.

To test the above hypothesis, linear regression was used to test the relationship between public procurement acts and regulations and performance of Devolved Systems of Governance in Kenya. Path coefficients were used to determine the direction and strength while T=statistics provided information on the significance to the relationships. The results are presented as follows;

a) Moderating Effect of Public Procurement Acts and Regulations on Strategic Supplier Relationships and Performance of Devolved Systems of Governance in Kenya

The study was conducted to establish the moderating effect of public procurement acts and regulations on strategic supplier relationships and performance of Devolved Systems of Governance in Kenya. It was noted The R^2 for model one was 0.693 implying that Strategic Supplier Relationships and Public procurement acts and

regulations jointly explain 69.3% variation in performance of Devolved system in Kenya as indicated in Table 4.41. It was found that the interaction between strategic supplier relationships and public procurement acts and regulations cause more changes in performance of Devolved Systems of Governance compared to the effect of strategic supplier relationships on performance of Devolved Systems of Governance alone. This means that jointly interaction of strategic supplier relationships and public procurement acts and regulations highly cause changes of performance of Devolved Systems of Governance in Kenya. Thus, Devolved Systems of Governance should foster strategic supplier relationships within the existing framework provided by public procurement acts and regulations to enhance their performance.

Table 4.41: Model Summary of Moderating Supplier Relationships

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.833[a]	.693	.689	.36663	.693	177.529	2	157	.000
2	.838[b]	.703	.697	.36197	.010	5.062	1	156	.026

a. Predictors: (Constant), Public procurement acts and regulations , Strategic Supplier Relationships

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Supplier Relationships, SSRXPPR

Further analysis on ANOVA, the regression model is a good fit as indicated by the significant F-statistic (Fvalue =177.529, $p<0.05$). Upon introduction of the interaction term presented as model 2 in table 4.42, the model is still significant (Fvalue=123.102, $p<0.05$) inferring that Public procurement acts and regulations significantly moderates the relationship between strategic supplier relationships practices and performance of Devolved system in Kenya as shown in table 4.42.

Table 4.42: ANOVA[a] of moderating strategic supplier relationships

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	47.725	2	23.862	177.529	.000[b]
	Residual	21.103	157	.134		
	Total	68.828	159			
2	Regression	48.388	3	16.129	123.102	.000[c]
	Residual	20.440	156	.131		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Supplier Relationships

c. Predictors: (Constant), Public procurement acts and regulations , Strategic Supplier Relationships, SSRXPPR

Additional tests on coefficients, the model reveals that the inclusion of the interactive term in the model. Strategic Supplier Relationships was found to be significant ($p< 0.05$, B =0.520) and Public procurement acts and regulations was found to be significant ($p<0.05$, B =.0.502). Strategic Supplier Relationships and Public procurement acts and regulations (SSRXPPR) was found to be significant ($p<0.05$, B =.-0.391).

Table 4.43: Coefficients[a] of moderated strategic supplier relationships

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.254	.172		13.086	.000
	Strategic Supplier Relationships	.500	.045	.520	11.131	.000
	Public procurement acts and regulations	.338	.031	.502	10.744	.000
2	(Constant)	1.542	.359		4.290	.000
	Strategic Supplier Relationships	.158	.058	.265	2.724	.007
	Public procurement acts and regulations	.533	.092	.791	5.796	.000
	SSRXPPR	-.096	.043	-.391	-2.250	.026

a. Dependent Variable: performance of Devolved Systems of Governance

The regression model obtained from the moderated effect of public procurement acts and regulations was

PERFORMANCE=2.254+0.265 Strategic Supplier Relationships +0.791 Public procurement acts and regulations -0.391 SSRXPPR

b) Moderating Effect of Public Procurement Acts and Regulations on Strategic E-Procurement Practice and Performance of Devolved Systems of Governance in Kenya

The study was conducted to establish the moderating effect of public procurement acts and regulations on strategic E-procurement and performance of Devolved Systems of Governance in Kenya. It was noted The R^2 for model one was 0.661 implying that Strategic E-procurement and public procurement acts and regulations jointly explain 66.1% variation in performance of Devolved system in Kenya as indicated in Table 4.44. It was found that the interaction between strategic E-procurement and public procurement acts and regulations causes more changes in performance of Devolved Systems of Governance compared to the effect of strategic E-procurement on performance of Devolved Systems of Governance alone. This means that jointly interaction of strategic E-procurement and public procurement acts and regulations highly cause changes of performance of Devolved Systems of Governance in Kenya. Thus, Devolved Systems of Governance should ensure that they use the E-procurement (IFMIS system) as provided under public procurement acts and regulations to enhance their performance. This regression model 1 on Table 4.44 is a good fit as indicated by the significant F-statistic (Fvalue =153.137, $p<0.05$).

Table 4.44: Model Summary[c] of moderated strategic e-procurement practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.813[a]	.661	.657	.38545	.661	153.137	2	157	.000
2	.825[b]	.681	.675	.37536	.020	9.551	1	156	.002

a. Predictors: (Constant), Public procurement acts and regulations , Strategic E-procurement practice

b. Predictors: (Constant), Public procurement acts and regulations, Strategic E-procurement practice, SEPPXPPR

c. Dependent Variable: Performance of Devolved Systems of Governance

The results indicates that the inclusion of the interaction term in model 1 on Table 4.44 resulted into an R^2 change of .020, [$F(1, 156) = 9.551$, $p < 0.05$], showing

presence of significant moderating effect. This implies that the moderating effect of public procurement acts and regulations gained 2.0% variance in the performance of Devolved system in Kenya, above and beyond the variance by strategic e-procurement practice. Thus, the study rejects the null hypothesis.

Further test on ANOVA indicates that upon introduction of the interaction term presented as model 2 on Table 4.45, the model is still significant (Fvalue=110.835, $p<0.05$) inferring that Public procurement acts and regulations significantly moderates the relationship between strategic E-procurement practices and performance of Devolved systems of governance in Kenya.

Table 4.45: ANOVA[a] of moderated strategic E-procurement practice

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.503	2	22.751	153.137	.000[b]
	Residual	23.325	157	.149		
	Total	68.828	159			
2	Regression	46.848	3	15.616	110.835	.000[c]
	Residual	21.980	156	.141		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Public procurement acts and regulations, Strategic E-procurement practice

c. Predictors: (Constant), Public procurement acts and regulations, Strategic E-procurement practice, SEPPXPPR

Additional test on coefficient as depicted on Model 2 on Table 4.46 below reveals the details of the inclusion of the interactive term in the model. Strategic E-procurement practice was found to be significant ($p<0.05$, $\beta = 0.237$) and public procurement acts and regulations was found to be significant ($p<0.05$, $\beta = 0.434$), strategic e-procurement practice and public procurement acts and regulations (SEPPXPPR) was found to be significant ($p<0.05$, $\beta = 0.062$).

Table 4.46: Coefficients[a] of moderated strategic E-procurement practice

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.355	.197		11.949	.000
	Strategic E-procurement practice	.462	.047	.508	9.856	.000
	Public procurement acts and regulations	.304	.035	.451	8.756	.000
2	(Constant)	1.868	.248		7.522	.000
	Strategic E-procurement practice	.237	.086	.261	2.765	.006
	Public procurement acts and regulations	.434	.054	.644	8.043	.000
	SEPPXPPR	.062	.020	.277	3.091	.002

a. Dependent Variable: Performance of Devolved Systems of Governance

The regression model obtained from the moderated effect of Public procurement acts and regulations was

PERFORMANCE=2.355+0.237 Strategic E-procurement practice +0.434 Public procurement acts and regulations +0.062 SEPPXPPR

c) Moderating Effect of Public Procurement Acts and Regulations on Strategic Negotiation Practice and Performance of Devolved Systems of Governance in Kenya

The study was conducted to establish the moderating effect of public procurement acts and regulations on strategic negotiation and performance of Devolved Systems of Governance in Kenya. It The R^2 for model 1 on Table 4.47 was 0.598 implying that strategic negotiation practice and Public procurement acts and regulations jointly explain 59.8% variation in performance of Devolved system in Kenya. This regression model 1 is a good fit as indicated by the significant F-statistic (Fvalue =116.628, $p<0.05$). It was found that the interaction between strategic negotiation and public procurement acts and regulations cause

more changes in performance of Devolved Systems of Governance compared to the effect of strategic negotiation on performance of Devolved Systems of Governance alone. This means that jointly interaction of strategic negotiation and public procurement acts and regulations highly cause changes of performance of Devolved Systems of Governance in Kenya. Thus, Devolved Systems of Governance should ensure that they incorporated negotiation during the procurement process in order to get value for money for the organization and public as a whole as dictated by different regulations. This regression model 1 on Table 4.47 is a good fit as indicated by the significant F-statistic (F-value =116.628, $p<0.05$).

Table 4.47: Model Summary[c] of moderated strategic negotiation practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.773[a]	.598	.593	.41996	.598	116.628	2	157	.000
2	.783[b]	.614	.606	.41294	.016	6.384	1	156	.013

a. Predictors: (Constant), Public procurement acts and regulations , Strategic Negotiation practice

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Negotiation practice, SNPXPPR

c. Dependent Variable: Performance of Devolved Systems of Governance

Further, the results indicates that the inclusion of the interaction term resulted into an R^2 change of .016, [$F(1, 156) = 6.384$, $p < 0.05$], showing presence of significant moderating effect. This implies that the moderating effect of Public procurement acts and regulations gained 1.6% variance in the performance of Devolved system in Kenya, above and beyond the variance by strategic negotiation practice. Thus the study rejects the null hypothesis.

Further test on ANOVA shows that upon introduction of the interaction term presented as model 2 on Table 4.48, the model is still significant (Fvalue=82.546, $p<0.05$) inferring that public procurement acts and regulations significantly moderates the relationship between strategic negotiation practice and performance of Devolved system in Kenya.

Table 4.48: ANOVAa of moderated strategic negotiation practice

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.138	2	20.569	116.628	.000[b]
	Residual	27.690	157	.176		
	Total	68.828	159			
2	Regression	42.227	3	14.076	82.546	.000[c]
	Residual	26.601	156	.171		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Negotiation practice

c. Predictors: (Constant), Public procurement acts and regulations , Strategic Negotiation practice, SNPXPPR

Model 2 on Table 4.49 reveals the details of the inclusion of the interactive term in the model. Strategic Negotiation practice was found to be significant ($p<0.05$, B = 0.951), Strategic Negotiation management practice was found to be significant ($p<0.05$, B =0.116) and Public procurement acts and regulations was found to be significant ($p<0.05$, B =0.164), Strategic Negotiation practice and Public procurement acts and regulations (SNP X PPR) was found to be significant ($p<0.05$, B =0.043).

Table 4.49: Coefficients[a] of moderated strategic negotiation practice

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.505	.134		3.775	.000
	Strategic Negotiation practice	.269	.036	.447	7.556	.000
	Public procurement acts and regulations	.297	.040	.440	7.443	.000
2	(Constant)	.951	.220		4.321	.000
	Strategic Negotiation practice	.116	.057	.223	2.035	.044
	Public procurement acts and regulations	.164	.065	.244	2.512	.013
	SNPXPPR	.043	.017	.413	2.527	.013

a. Dependent Variable: Performance of Devolved Systems of Governance.

The regression model obtained from the moderated effect of Public procurement acts and regulations was

PERFORMANCE=0.951+0.116 Strategic Negotiation practice +.0.164 Public procurement acts and regulations+ 0.0.043 SNPXPPR

d). Moderating Effect of Public Procurement Acts and Regulations on Strategic Contract Management Practice and Performance of Devolved Systems of Governance in Kenya

The R^2 for model 1 on Table 4.50 was 0.587 implying that Strategic Contract management practice and Public procurement acts and regulations jointly explain 58.7% variation in performance of Devolved system in Kenya. This regression model 1 of Table 4.50 is a good fit as indicated by the significant F-statistic (Fvalue =111.745, $p<0.05$). Upon introduction of the interaction term presented as model 2 of Table 4.50, the model is still significant (Fvalue=17.963, $p<0.05$) inferring that Public procurement acts and regulations significantly moderates the relationship between strategic contract management practice and performance of Devolved system in Kenya.

Table 4.50: Model Summary[c] of moderated strategic contract management practice

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.766[a]	.587	.582	.42532	.587	111.745	2	157	.000
2	.794[b]	.630	.623	.40405	.043	17.963	1	156	.000

a. Predictors: (Constant), Public procurement acts and regulations , Strategic Contract management practice

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Contract management practice, SCMPXPPR

c. Dependent Variable: Performance of Devolved Systems of Governance

Additional results as indicated on Model 2 table 4.50 above indicates that the inclusion of the interaction term resulted into an R^2 change of 0.043, [F (1, 156) =

17.963, p < 0.05], showing presence of significant moderating effect. This implies that the moderating effect of Public procurement acts and regulations gained 4.3% variance in the performance of Devolved system in Kenya, above and beyond the variance by strategic procurement practices. Thus the study rejects the null hypothesis.

Further test on ANOVA shows that upon introduction of the interaction term presented as model 2 on Table 4.51, the model is still significant (Fvalue=88.533, p<0.05) inferring that public procurement acts and regulations significantly moderates the relationship between strategic contract practice and performance of Devolved system in Kenya.

Table 4.51: ANOVA[a] strategic contract management practice

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.428	2	20.214	111.745	.000[b]
	Residual	28.400	157	.181		
	Total	68.828	159			
2	Regression	43.360	3	14.453	88.533	.000[c]
	Residual	25.468	156	.163		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Public procurement acts and regulations, Strategic Contract management practice

c. Predictors: (Constant), Public procurement acts and regulations, Strategic Contract management practice, SCMPXPPR

Also, model 2 in Table 4.52 reveals the details of the inclusion of the interactive term in the model. Strategic Contract management practice was found to be significant (p<0.05, B =0.172), Public procurement acts and regulations was found to be significant (p<0.05, B =0.124), and strategic contract management practice and Public procurement acts and regulations (SCMP X PPR) was also found to be significant (p<0.05, B =0.060).

Table 4.52: Coefficients[a] strategic contract management practice

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.507	.223		2.275	.024
	Strategic Contract management practice	.368	.051	.388	7.192	.000
	Public procurement acts and regulations	.371	.036	.551	10.200	.000
2	(Constant)	.284	.082		3.463	.001
	Strategic Contract management practice	.172	.067	.381	2.554	.012
	Public procurement acts and regulations	.124	.058	.284	2.138	.034
	SCMPXPPR	.060	.014	.517	4.238	.000

a. Dependent Variable: Performance of Devolved Systems of Governance

The regression model obtained from the moderated effect of Public procurement acts and regulations was

PERFORMANCE=0.284+ 0.172Strategic Contract management practice+0.124 Public procurement acts and regulations+.0.060 SCMPXPPR.

d) **Overall Moderating Effect of Public Procurement Acts and Regulations on Performance of Devolved Systems of Governance in Kenya**

The R^2 for model one was 0.706 implying that Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice, Public procurement acts and regulations jointly explain 70.6% variation in performance of Devolved system in Kenya. This regression model one is a good fit as indicated by the significant F-statistic (Fvalue =117.246, $p<0.05$).

The results indicates that the inclusion of the interaction term resulted into an R^2 change of .094, [$F (5, 150) = 14.112$, $p < 0.05$], showing presence of significant moderating effect. This implies that the moderating effect of Public procurement acts and regulations gained 9.4% variance in the performance of Devolved system in Kenya, above and beyond the variance by strategic procurement practices. Thus the study rejects the null hypothesis.

Table 4.53: Model Summary of moderating effect of strategic procurement practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.840[a]	.706	.698	.36139	.706	92.999	4	155	.000
2	.894[b]	.800	.788	.30296	.094	14.112	5	150	.000

a. Predictors: (Constant), Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice, Public procurement acts and regulations

b. Predictors: (Constant), Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice, Public procurement acts and regulations , SEPPXPPR, SSRXPPR, SNPXPPR, SCMPXPPR

Further test on ANOVA shows that Upon introduction of the interaction term presented as model 2, the model is still significant (Fvalue=66.656, $p<0.05$) inferring that public procurement acts and regulations significantly moderates the relationship between strategic procurement practices and performance of Devolved system in Kenya.

Table 4.54: ANOVA[a] of moderating effect of strategic procurement practices

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	54.509	5	10.902	117.246	.000[b]
	Residual	14.319	154	.093		
	Total	68.828	159			
2	Regression	55.061	9	6.118	66.656	.000[c]
	Residual	13.767	150	.092		
	Total	68.828	159			

a. Dependent Variable: Performance of Devolved Systems of Governance

b. Predictors: (Constant), Public procurement acts and regulations , Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice

d. Predictors: (Constant), Public procurement acts and regulations , Strategic Contract management practice, Strategic Supplier Relationships, Strategic Negotiation practice, Strategic E-procurement practice, SEPPXPPR, SSRXPPR, SNPXPPR, SCMPXPPR

Model 2 as shown on table 4.55 below reveals the details of the inclusion of the interactive term in the model. Strategic Supplier Relationships was found to be

significant (p< 0.05, B =.153). Strategic E-procurement practice was found to be significant (p<0.05, B =.379), Strategic Negotiation practice was found to be significant (p<0.05, B =.174), Strategic Contract management practice was found to be significant (p<0.05, B =.033), Public procurement acts and regulations was found to be significant (p<0.05, B =.128), SSRXPPR was found to be significant (p<0.05, B =.110), SEPPXPPR was found to be significant (p<0.05, B =.078), SNPXPPR was found to be significant (p<0.05, B =.189) and SCMPXPPR was also found to be significant (p<0.05, B =.150). The findings are in harmony with a study done by Kagendo (2010) on effects of public procurement and disposal act on procurement in parastatals in Kenya found out that PPDA had improved the speed with which parastatals procured goods and services, it has also improved the competitiveness of the procurement processes among parastatals, the findings concluded that PPDA had increased the level of transparency and finally improved the quality of services and goods

Table 4.55: Coefficients[a] of moderating effect of strategic procurement practices

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.371	.244		5.610	.000
	Strategic Supplier Relationships	.321	.049	.334	6.502	.000
	Strategic E-procurement practice	.129	.052	.242	2.497	.014
	Strategic Negotiation practice	.101	.030	.267	3.318	.001
	Strategic Contract management practice	.194	.041	.205	4.747	.000
	Public procurement acts and regulations	.236	.030	.351	7.982	.000
2	(Constant)	1.645	.829		1.983	.049
	Strategic Supplier Relationships	.153	.042	.255	3.623	.000
	Strategic E-procurement practice	.379	.118	.417	3.225	.002
	Strategic Negotiation practice	.174	.065	.288	2.656	.009
	Strategic Contract management practice	.033	.015	.234	2.146	.033
	Public procurement acts and regulations	.128	.052	.291	2.487	.014
	SSRXPPR	.110	.052	.448	2.131	.035
	SEPPXPPR	.078	.019	.307	4.174	.000
	SNPXPPR	.189	.030	.283	6.223	.000
	SCMPXPPR	.150	.045	.427	3.302	.001

The regression model obtained from the moderated effect of Public procurement acts and regulations was

PERFORMANCE=1.645+0.153 Strategic Supplier Relationships +.379 Strategic E-procurement practice +0.174 Strategic Negotiation practice +.033 Strategic Contract management practice+.128 Public procurement acts and regulations+.110 SSRXPPR+.078 SEPPXPPR+.189 SNPXPPR + .150 SCMPXPPR +error

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the major findings of this study and also sets to draw conclusions and make recommendations for practice and suggestions for further research based on the results of this study.

5.2 Summary of Major Findings

The general objective of this study was to determine the influence of strategic procurement practices on performance of Devolved systems of governance in Kenya and was guided by the following specific objectives. The specific goals of this study were to find out how strategic supplier relationships affect the performance of the devolved system; to find out how strategic e-procurement practices affect the performance of the devolved system; and to look at the influence of strategic e-procurement practices on the performance of the devolved system.

5.2.1 Influence of Strategic Supplier Relationships Practice on Performance of Devolved Systems of Governance in Kenya

Supplier relationship is the act of two or more chain members working together to create a competitive advantage through sharing information making joint decisions and sharing benefits which result from greater profitability of satisfying customer needs than acting alone. Many supplier relationships are complex in terms of interactions as it involves knowledge and information exchanges, mutual adaptations and long-term investments, and these are handled according to a strategic approach. Nowadays many organizations are geared towards transforming their supplier relationships through procurement function.

According to the results of the survey, many Devolved government systems exchange qualitative information and skills with their key suppliers in order to develop ties. According to the report, Kenya's devolved systems of governance collaborates on product creation and design with its suppliers, invests in supplier capacity development, and outsources vendors who follow sustainable practices. However, the survey found that certain Devolved governance agencies do not collaborate with their suppliers on product development and do not include suppliers directly in their strategic objectives.

The study also found out that strategic supplier relationships practice showed a strong positive correlation with Devolved Systems of Governance in Kenya. Therefore, strategic supplier management through direct supplier involvement, joint product development and design, information sharing and supplier capability development can improve performance of Devolved Systems of Governance in Kenya.

5.2.2 Influence of Strategic E-Procurement Practice on Performance of Devolved Systems of Governance in Kenya.

E-procurement is the process of using electronic methods over the internet to conduct procurement functions such as identification of requirement, tendering process, payment and contract management. In public sector, organizations should adopt e-procurement in order to decentralize operational procurement processes and centralize strategic procurement processes as a result of the higher supply chain transparency provided by e-procurement systems. Strategic procurement often had to deal with administrative routine work as well, such as individual transactions, converting purchase requests into purchase orders or ensuring the correct allocation of invoices received.

Similarly, the research discovered that Kenya's devolved systems of governance has implemented e-procurement by automating procurement operation methods to improve work flow. Even then, only a few devolved government systems have not automated their procurement processes. In addition, the research discovered that the

devolved government uses e-procurement to provide a central coordination of supplier management. E-procurement helps them manage and expand their supplier database. Similarly, the research found that the devolved form of government uses e-procurement to standardize services for catalog representation.

Furthermore, the survey found that the majority of Devolved government agencies utilize e-procurement to source products and services throughout the world. E-procurement is also being used by the devolved governance to help save expenses in areas including tendering, payment, and contract administration. However, a minority fraction of the Devolved governance argued that e-procurement does not save operational costs. This might be due to the substantial capital investment necessary to build a robust infrastructure for e-procurement to flourish in terms of advantages. Furthermore, the report said that devolved systems of governance have used e-procurement to connect their procurement strategies with the demands and requirements of their residents.

The research also discovered that strategic e-procurement practice has a significant favorable relationship with Kenya's devolved governance structure. According to the findings, there is a link between strategic e-procurement practices and Kenya's performance devolved structure. As a result, strategic e-procurement increases the performance of the devolved governance system.

5.2.3 Strategic Negotiation Practice on Performance of Devolved Systems of Governance in Kenya.

Negotiation is the process of planning, reviewing, analyzing and discussing the information between the buyer and the seller, to arrive at an acceptable agreement. During negotiations the process involves balancing matters between two parties so that the negotiator not only get what he wants but also get what he wants in the best possible way. Organizations that are engaging in negotiations should set objectives before going to negotiate. Also, organizations should work out the best alternative to a negotiation agreement (BATNA). This is because commercial conversations are continuously shifting, giving the impression that something is always going on.

Based on this study, it was established that devolved system of governance strategically use negotiations for various reasons such as to obtain fair prices for the specified quality of item, agree on delivery period, decide on the packaging, packing and method of transportation, agree on the payment terms and many other reasons. According to the findings, the majority of Devolved systems of governance have accepted the best alternative to a negotiation agreement before beginning real talks with suppliers since negotiations with suppliers are always changing based on particular conditions.

Similarly, the survey found that when negotiating with suppliers, the majority of Devolved Systems of governance adopt both competitive and cooperative tactics. When picking negotiating tactics and supplier capabilities, the choice of these approaches will be based on the conditions, such as a number of numerous qualities. Similarly, the research discovered that Kenya's devolved systems of governance negotiates with suppliers based on similar inspection procedures, inspection time and location, and the kind and type of test certifications.

The research also discovered that strategic negotiating technique had a somewhat beneficial relationship with Kenya's devolved governance structure. As a result, the research found a substantial beneficial association between strategic negotiating practice and performance under Kenya's devolved governance structure.

5.2.4 Strategic Contract Management Practice on Performance of Devolved Systems of Governance in Kenya.

From the literature review, various scholars have defined strategic contract management as a process of managing contracts entered in to with vendors, partners, customers, and or employees. Contract management includes negotiating the terms and conditions of contracts and ensuring compliance with the terms and conditions, documenting and agreeing on any changes that may arise during its implementation or execution. Also, from literature it was established that effective contract management function can improve profitability, support compliance and manage risk in the organization. Therefore it will help in improving the quality of goods and services and

reduces procurement cost thus achieving three broad goals of quality products and services, timely delivery of products and services, and cost effectiveness. Also, the aims of contract management in procurement are to ensure: services are delivered continuously and to a high standard, in accordance with the contract, and payments or penalties are made accordingly; contractual responsibilities and risk allocations are maintained in practice, and the parties' responsibilities and risks managed efficiently.

Based on the study findings, it was established that majority of respondents strongly acknowledged that their Devolved Systems of Governance participate in strategic contract management in order to help them in ensuring materials and services delivered meet the required standards and they meet explicit standards set by Devolved Systems of Governance. However, some small number of Devolved Systems of Governance disagreed that they do not have explicit standards and measures of performance between different stakeholders and themselves. Further, the study established that majority of Devolved Systems of Governance ensures obligations and responsibilities are defined under contract they enter into, contract management teams have been put in place and continuously improved. Also, actors along the chains have efficient and secure sources for collecting and analyzing customer information and have good contract management skills to win and retain customers and sell or purchase of items at favorable prices.

Additional testing demonstrated a modest positive association between strategic contract management practice and Kenya's devolved government structure. The Pearson correlation coefficient was used to determine this association, and the research found a somewhat favorable relationship between strategic contract management and the performance of Kenya's devolved government. As a result, strategic contract management increases the functioning of Kenya's devolved government structure.

5.2.5 The Moderating Effect of Public Procurement Acts and Regulations on Performance of Devolved Systems of Governance in Kenya.

Based on the study findings, it was established that strategic contract management practice, strategic supplier relationships, strategic negotiation practice, strategic e-procurement practice, public procurement acts and regulations jointly explain significant variation in performance of Devolved systems in Kenya. This regression model was a good fit and indicated to be significant. Upon introduction of the interaction term of moderating factor (public procurement acts and regulations) the model was still significant inferring that public procurement acts and regulations significantly moderates the relationship between strategic procurement practices and performance of Devolved system in Kenya.

Further analysis indicated that the inclusion of the interaction term (public procurement acts and regulations) resulted into an R^2 indicated that there is significant moderating effect. This implied that the moderating effect of Public procurement acts and regulations gained significant variance in the performance of Devolved system in Kenya, above and beyond the variance by strategic procurement practices.

5.3 Conclusions

Based on the findings, it could be concluded that strategic supplier relationship practice in Kenya has a positive relationship with the Devolved Systems of Governance there. In Kenya, the study found that if strategic supplier relationship practices could be used, the decentralized system of government would be better at running things. A lot of Kenya's Devolved Systems of Governance share qualitative information and competencies with their strategic suppliers in order to strengthen their relationships, do joint product development and design with their suppliers, build the capacity of their suppliers through capacity development, and hire suppliers who use sustainable practices.

Basing on strategic e-procurement practice, it could be concluded that strategic e-procurement practice showed a strong positive correlation with Devolved Systems of Governance in Kenya. The study identified that if strategic e-procurement practice could be adopted it would result in significant improvement of performance of Devolved Systems of Governance. Also based on the findings of this study, it could be concluded that Devolved Systems of Governance in Kenya have adopted e-procurement through the automation of procurement operation procedures in order to enhance smooth work flow. Also, it could be concluded that Devolved Systems of Governance use e-procurement in the creation of central coordination of suppliers' management which in turn help in maintaining and developing database of supplier base and increasing transparency levels. Likewise, the study concludes that Devolved Systems of Governance adapt e-procurement for the purpose of reducing costs in areas such tendering processes, payment and contract management.

Regarding strategic negotiation practice objective, it could be concluded that strategic negotiation practice has a moderate positive correlation with performance of devolved system of government in Kenya using Pearson correlation coefficient. The study found out that if the management could adopt strategic negotiation practice, it could increase performance of devolved systems of government. The study concludes that devolved system of government strategically have adopted the use negotiations for various reasons such as to obtain fair prices for the specified quality of item, agree on delivery period, decide on the packaging, packing and method of transportation, agree on the payment terms and many other reasons. It was also concluded that majority of Devolved Systems of Governance have adopted best alternative to a negotiation agreement before starting actual negotiation because negotiations with suppliers constantly keeps changing depending on certain circumstances. Likewise, the study concludes that majority of Devolved systems of governance use both competitive and co-operative approaches when negotiating with suppliers. The choice of these approaches would depend on the circumstances such as a number of multiple attributes when selecting negotiation approaches and capabilities of suppliers.

Based on the strategic contract management practice objective, the study concludes that strategic contract management practice has moderate positive correlation and thus strategic contract management increase the performance of Devolved Systems of Governance in Kenya. Also, it could be concluded, thus strategic contract management would enable management ensure that materials and services delivered meet the required standards and the contractors meet the explicit standards set by Devolved Systems of Governance if adopted. Further, the study concludes that Devolved Systems of Governance ensures obligations and responsibilities are well defined under contract they enter into, contract management teams have been put in place and continuously improved.

Lastly basing on the moderating effect of public procurement acts and regulations objective, the study concludes that that strategic contract management practice, strategic supplier relationships, strategic negotiation practice, strategic e-procurement practice, public procurement acts and regulations jointly explain significant variation in performance of Devolved system in Kenya therefore if Devolved Systems of Governance were to comply with what is in the procurement acts and regulation it could result to improved speed in procurement of goods and services and improved the competitiveness and transparency in the procurement processes.

5.4 Recommendations

The study suggests the following recommendations:

5.4.1 Managerial Recommendations

The majority of Kenya's Devolved Systems of Governance execute cooperative product development and design, improve supplier skills via capacity development, and outsource suppliers that follow sustainable practices, according to the study's strategic supplier partnerships practice aim. However, some devolved systems of governance do not collaborate with their suppliers on product development and do not include suppliers directly in their strategic objectives. As a result, the report suggests that devolved systems of governance collaborate on product development with suppliers and include suppliers directly or indirectly in their strategic goals. The

engagement of suppliers would aid the company's growth, innovation, and capacities, hence boosting the advantages felt by consumers. In order to enhance connections, the report advises that Kenya's devolved governance exchange qualitative information and competences with its key suppliers. The report also suggests that management should use strategic supplier relationships to comply with public procurement laws and regulations. This is because the research found that public procurement legislation and rules have a somewhat good relationship with the functioning of Kenya's devolved governance structure.

Regarding on strategic e-procurement practice objective, the study established that majority of Devolved Systems of Governance in Kenya have adopted e-procurement through the automation of procurement operation procedures to enhance smooth work flow. However, there are a few Devolved Systems of Governance which have not automated their procurement operations procedures. Therefore, the study recommends that those Devolved Systems of Governance should adopt e-procurement system and automate all procurement operation procedures to enhance smooth work flow and hence improve efficiency. The study recommends that Devolved Systems of Governance should adopt e-procurement in the creation of central coordination of suppliers' management. This would assist Devolved Systems of Governance in the management of suppliers and develop database of supplier base. Likewise, the study recommends that Devolved Systems of Governance should adopt e-procurement for various uses such as in the standardization of services for representation in the catalog, sourcing goods and services globally, as way of reducing costs in areas such tendering processes, payment and contract management. But management should be aware and cautious that e-procurement is capital intensive in terms of acquisition and laying down the required infrastructure and highly perishable. Thus the study recommends that strategic e-procurement practice should be implemented within the legal framework of public procurement acts and regulations because it moderate has positive correlation with the performance Devolved Systems of Governance in Kenya.

The study recommends that the Devolved Systems of Governance strategically adopt the best negotiation strategies for a variety of reasons, including obtaining fair prices for specified quality of item, agreeing on delivery period, deciding on packaging, packing, and method of transportation, and agreeing on payment terms, among others. Although it was adopted by many Devolved Systems of Governance but there are some Devolved Systems of Governance which have not fully embrace best negotiations strategies because negotiations with suppliers constantly keeps changing depending on certain circumstances. Likewise, the study recommends that Devolved Systems of Governance should adopt the use of both competitive and co-operative approaches when negotiating with suppliers. The choice of these approaches should depend on the circumstances such as a number of multiple attributes when selecting negotiation approaches and capabilities of suppliers. In addition, the study recommends that the Devolved Systems of Governance should adopt and implement strategic negotiation practice because it was established from the study that strategic negotiation has a positive correlation influence when moderated with the public procurement acts and regulations and hence increases the performance of Devolved Systems of Governance in Kenya.

According to the study's strategic contract management practice aim, the majority of Devolved Systems of Governance have implemented strategic contract management to ensure that materials and services provided satisfy needed standards and explicit Devolved Systems of Governance requirements. However, the research found that a tiny proportion of Devolved government systems lack specific performance criteria and measurements for diverse stakeholders and themselves. As a result, the report advises that all Devolved government systems establish specific performance criteria and benchmarks for diverse stakeholders and themselves. Furthermore, the report suggests that the Devolved Systems of Governance guarantee that contract duties and responsibilities be fully specified before formalizing signing contracts, and that contract management teams be established and continually enhanced. Finally, the study suggests that the Devolved Systems of Governance should implement strategic contract management practices within the existing legal framework provided by public procurement acts and regulations, as it has been found to have a positive

moderating effect, and thus strategic contract management improves the performance of the Devolved Systems of Governance in Kenya.

Lastly, the study recommends that Devolved Systems of Governance should execute strategic procurement practices within the framework provided by the public procurement acts and regulations because it was established that upon introduction of the interaction term of moderating factor (public procurement acts and regulations) the model was still significant inferring that public procurement acts and regulations significantly moderates the relationship between strategic procurement practices and performance of Devolved system government in Kenya.

5.4.2 Policy recommendations

Strategic public procurement plays a crucial role in an organization's profitability and enhances shareholders value and public sector organizations are expected to achieve high performance standards in public provision. From the study finding it was established that strategic procurement practices such as strategic supplier relationships, strategic e-procurement, strategic negotiation and strategic contract management practices positively influence performance of Devolved system government in Kenya. Thus study recommends that Devolved system government in Kenya should embrace and adopt these practices to achieve good performance. The study also recommends to the policy makers like the Devolved Systems of Governance to engage suppliers earlier and embrace long term relationships with supplier to build a strong supplier base data. This is because it was noted from the study some Devolved Systems of Governance are not keen establishing long term relationships with suppliers.

5.4.3 Contribution to new Knowledge

Strategic procurement practices play a crucial role in enhancing organization's competitive advantage, looking at the four variables strategic supplier relationship, strategic e-procurement, strategic contract management and strategic negotiation, it was clear indication that both combined has a significant impact on organizational performance. Although it was noted that some Devolved Systems of Governance

conducting a cooperative negotiation with suppliers. The study recommends that the Devolved Systems of Governance to conduct integrated negotiation with those suppliers, supplying strategic items and rather competitive negotiation with those suppliers supplying non-critical items by doing so the Devolved Systems of Governance can leverage both on benefits that comes with adopting both negotiation approaches, this which clearly contribute to new knowledge on leveraging on both integrative and competitive negotiation approaches

5.4.4 Theoretical Implication

For a firm to be successful they need to incorporated strategic procurement practices in there systems. Practices like strategic e-procurement is very crucial in a public sector setting, although it was observed that although the benefits of adopting e-procurement are of immense benefit to a firm, it was clear that some devolved systems clearly do not observe, the study therefore recommends that Devolved Systems of Governance should adopted e-procurement system and automate all procurement operation procedures to enhance smooth work flow and hence improve efficiency Thus the study recommends that strategic e-procurement practice should be implemented within the legal framework of public procurement acts and regulations because it moderate has positive correlation with the performance of Devolved Systems of Governance in Kenya. The findings are in harmony with technology acceptance model which suggest that emerging technologies cannot improve organizational effectiveness and performance if the change has not been accepted by the users. Therefore first it's crucial for the users to accept the new technology (e-procurement) so as to reduce administrative costs, possible broadening of suppliers' base, and easy access to preferred goods.

5.5 Areas for Further Research

The study was confined to a literature review that only proposes strategic supplier relationships, strategic e-procurement, strategic negotiation, strategic contract management practices and public procurement acts and regulations plus the theories that support these variables. Thus, empirical work that actually demonstrates the area of public procurement practices is beyond the scope of the four variables identified in

the study. Therefore, similar study should be conducted using different variables to establish which other variables influences performance of Devolved Systems of Governance in Kenya. Similarly, the data was collected from Devolved Systems of Governance in Kenya. However, there are various organizations in public and private sectors in Kenya which strategic procurement can affect. Thus, informant representatives of participating Devolved Systems of Governances in Kenya may be biased. This study recommends a similar research to be conducted from multiple informants groups from different sectors in Kenya to come up with a variety of outcomes. Likewise, the study adopted mixed research, both cross sectional and longitudinal design using both quantitative and qualitative approaches. Therefore, future research can be conducted using longitudinal research only so as to establish factors which influence performance of Devolved Systems of Governances in Kenya.

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APPENDICES

Appendix I: Letter of Introduction

Date: …….

To …….

Dear Sir/Madam,

I am a student at Jomo Kenyatta University of Agriculture and Technology pursuing a doctor of philosophy in supply chain management. I am conducting a research on the strategic procurement practices and the performance of Devolved Systems of Governance in Kenya.

I therefore request that you spare few minutes of your busy schedule to fill this questionnaire. The information given will be treated very confidentially, and will only be used for academic purpose.

Yours faithfully,

Carren chepng'etich

PhD Student, J.K.U.A.T

HD411-8116/2015

Appendix II: Questionnaire

This questionnaire seeks to determine the influence of strategic procurement practices of Performance of Devolved Systems of Governance in Kenya. In particular, it will involve aspects of supplier relationships, e-procurement, negotiation and contract management practices

Note

(a) All responses will be treated in the strictest confidence

(b) If you would like a copy of the findings please supply name and address for receipt of your copy of the findings.

PART A: County information

Please provide the following information regarding your organization.

1. _____ County name

2. Years of Work

    Less than 5 years

    Over 5 years

2. Age

    18-30 Years

    31-40 Years

    41-50Years

    51 and above

3. Highest Education Level

□ Secondary level

□ College level

□ University level

□ Masters

□ PHD

□ Professional Qualification

4. Name of the department …….

PART B

Strategic Supplier Relationships

1. Please indicate the level to which of the following supplier relationships statements influence the Performance of Devolved Systems of Governance. Please record your answer by ticking in the spaces provided, by the scale indicator (1=Strongly Disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree, 5=Strongly Agree)

Statements	1	2	3	4	5
a) Sharing of qualitative information and competences with suppliers to achieve the Performance of Devolved Systems of Governance.					
b) Joint product development and design to achieve Performance of Devolved Systems of Governance.					
c) Direct involvement of a company with suppliers and customers in planning and forecasting to achieve the Performance of Devolved Systems of Governance..					
d) We develop capabilities of supply partners to achieve the Performance of Devolved Systems of Governance.					
e) We stress the sustainability when outsourcing activities					

from suppliers					
f) We rely on suppliers to increase our performance county by outsourcing non-core functions and concentrate on core activity					

2. Please suggest ways in which supplier relationships can influence the Performance of Devolved Systems of Governance.

……

……

……..

Strategic E-procurement practice

3. Please indicate the level to which of the following e-procurement practice statements influence the Performance of Devolved Systems of Governance. Please record your answer by ticking in the spaces provided, by the scale indicator (1=Strongly Disagree, 2=Disagree, 3= Neither agree nor disagree, 4=Agree, 5=Strongly Agree)

Statements	1	2	3	4	5
a) Allows the automation of authorization workflow					
b) Enable creation of a central coordination instance for supplier management					
c) Enable standardization of services for representation in the catalog					
d) Enable global sourcing of goods and services					
e) Align procurement strategy					
f) Reduction of costs					
g) Diversification of risk with key suppliers for product failure					

4. Please suggest ways in which e-procurement practice can influence the Performance of Devolved Systems of Governance.

……

……

……..

Strategic Negotiation practice

5. Please indicate the level to which of the following negotiation practice statements influence the Performance of Devolved Systems of Governance. Please record your answer by ticking in the spaces provided, by the scale indicator (1=Strongly Disagree, 2=Disagree, 3= Neither agree nor disagree, 4=Agree, 5=Strongly Agree)

Statements	1	2	3	4	5
a) Enable to obtain a fair price for the specified quality of the item					
b) Enable to agree on the delivery period					
c) Enable to agree on the payment terms					
d) Enable to agree on the liability for claims and damages					
e) Enable to decide on the frequency of progress reports					
f) Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates					

6. Please suggest ways in which negotiation practice can influence the Performance of Devolved Systems of Governance.

……

……

Strategic Contract management practice

7. Please indicate the level to which of the following contract management practice statements influence the Performance of Devolved Systems of Governance. Please record your answer by ticking in the spaces provided, by the scale indicator (1=Strongly Disagree, 2=Disagree, 3= Neither agree nor disagree, 4=Agree, 5=Strongly Agree)

Statements	1	2	3	4	5
a) Contract management helps in ensuring materials and services delivered meet the required standards					
b) There are explicit standards and measures of performance between different stakeholders in county government					
c) Contract administration ensures obligations and responsibilities defined under contract are met					
d) Contract management team emphasis on continuous improvement and achievement of results					
e) Actors along the chain have efficient and secure sources for collecting and analyzing customer information					
f) Actors have good contract management skills to win and retain customers and sell or purchase electricity at favorable prices					

8. Please suggest ways in which contract management practice can influence the Performance of Devolved Systems of Governance.

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Public procurement acts and regulations

9. Please indicate the level to which of the following public procurement acts and regulations statements influence the Performance of Devolved Systems of Governance. Please record your answer by ticking in the spaces provided, by the scale indicator (1=Strongly Disagree, 2=Disagree, 3= Neither agree nor disagree, 4=Agree, 5=Strongly Agree)

Statements	1	2	3	4	5
g) It provides framework of administration of procurement contracts.					
h) It provides framework of implementation and management of all steps in procurement cycle including selection of suppliers and application of methods.					
i) It provides framework of product judgment and application of discretion to procurement decision such as e-procurement.					
j) It provides requisite procurement document, records management and filling.					
k) It provides institutional framework that arranges for carrying out public procurement.					

10. Please suggest ways in which public procurement acts and regulations can influence the Performance of Devolved Systems of Governance.

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Measure of Performance of Devolved Systems of Governance

11. Please indicate the level to which of the following rating measure Performance of Devolved Systems of Governance in the data (%).

Statements	2013	2014	2015	2016	2017

a) Rate of procurement productivity					
b) Procurement cost saved					
c) Quality of goods, services and works offered and supplied					
d) Customer satisfaction index					
e) goods, services and works supplied and completed just in time					

Appendix III: List of Devolved Systems of Governance in Kenya

NO.	Name
1.	Garissa
2.	Kisii
3.	Nyamira
4.	Narok
5.	Marsabit
6.	Murang'a
7.	Bomet
8.	Nairobi
9.	Kiambu
10.	Homa Bay
11.	Baringo
12.	Bungoma
13.	Busia
14.	Elgeyo Marakwet
15.	Embu
16.	Isiolo
17.	Kajiado
18.	Kakamega
19.	Kericho
20.	Kilifi
21.	Kirinyaga
22.	Kisumu
23.	Kitui
24.	Kwale
25.	Laikipia
26.	Lamu
27.	Makueni
28.	Mandera
29.	Meru
30.	Mombasa
31.	Nakuru
32.	Nandi
33.	Nyandarua
34.	Nyeri
35.	Samburu
36.	Siaya
37.	Taita Taveta
38.	Tana River
39.	Tharaka Nithi
40.	Transzoia

41.	Machakos
42.	Turkana
43.	Vihiga
44.	Wajir
45.	West pokot
46.	Uasin gishu
47.	Migori

Source: County Government Act, (2012)

Appendix IV: List of Devolved Systems of Governance that Participated in the Study

NO.	Name
1.	Garissa
2.	Kisii
3.	Nyamira
4.	Narok
5.	Marsabit
6.	Murang'a
7.	Bomet
8.	Nairobi
9.	Kiambu
10.	Homa Bay

Source: County Government Act, (2012)

Appendix V: Key Tables

Item	Description
SSR1	Sharing of qualitative information and competencies
SSR2	Joint product development and design
SSR3	Direct involvement of a company
SSR4	We develop capabilities of supply
SSR5	We stress the sustainability when outsourcing
SSR6	We rely on suppliers to increase performance
SEPP1	Allows the automation of authorization workflow
SEPP2	Enable creation of a central coordination instance for supplier management
SEPP3	Enable standardization of services for representation in the catalog
SEPP4	Enable global sourcing of goods and services
SEPP5	Align procurement strategy
SEPP6	Reduction of costs
SEPP7	Diversification of risk with key suppliers for product failure
SNP1	Enable to obtain a fair price for the specified quality of the item
SNP2	Enable to agree on the delivery period
SNP3	Enable to agree on the payment terms
SNP4	Enable to agree on the liability for claims and damages
SNP5	Enable to decide on the frequency of progress reports
SNP6	Enable to agree on the common methods of inspection, time and place of inspection, nature and type of test certificates
SCMP1	Contract management helps in ensuring materials and services delivered meet the required standards
SCMP2	There are explicit standards and measures of performance between different stakeholders in county govt
SCMP3	Contract administration ensures obligators and responsivities defined under contract are met
SCMP4	Contract management team emphasis on continuous improvement and achievement of results
SCMP5	Actors along the chain have efficient and secure sources for collecting and analyzing customer info
SCMP6	Actors have good contract management skills to win and retain customers and sell or purchase electricity at favorable prices
PPR1	It provides framework of administration of procurement contracts
PPR2	It provides framework of implementation and management of all steps in procurement cycle
PPR3	It provides framework of product judgement and application of discretion to procurement decision such as e-procurement
PPR4	It provides requisite procurement document, records management
PPR5	It provides institutional framework that arranges for carrying out public procurement