



EFFECTS OF STRATEGIC PROCUREMENT PRACTICES ON PERFORMANCE OF COUNTY GOVERNMENTS IN KENYA. A CASE OF MACHAKOS COUNTY GOVERNMENT

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ABSTRACT

Strategic procurement is becoming crucial towards improving both public and private organizations performance globally. In Kenya, County governments continue to lose a lot of public funds due to ineffective procurement practices. The study was pursued to examine the effects of strategic procurement practices on the performance of Machakos County government in Kenya. The study investigated the effects of supplier relations and strategic sourcing on the performance of Machakos County government. The target population for this study was 150 employees of Machakos County and was drawn from all the management levels. The study used census sampling method where all the respondents were observed in the study. Data was collected using structured questionnaires. The analysis included both descriptive and inferential statistics. Descriptive analysis comprised of percentages, Mean and Standard Deviation, inferential statistics that was based on linear regression and was used to establish the correlation between strategic procurement practices and the performance of the county and it helped in drawing a conclusion on the relations between variables and the nature of relationship based on a 95% confidence level. The findings of the study indicated that supplier relations (X1) ($r=.845$, $P<.000$) and strategic sourcing (X2) ($r=.698$, $P<.000$) have a significance effects on the performance in Machakos County. The study concluded that, if the county improved strategic procurement practices, the county would enhance the effectiveness and efficiency of procurement performance in the county government. This indicated that all the procurement practices factors (Supplier relations, Strategic Sourcing) have a significance influence on the procurement performance in Machakos County. The study recommended that there was need for the procurement function at the county government to enhance supplier relations in order to improve the quality of goods procured and services delivered; the county government should ensure that there is effective strategic sourcing in order to attain higher profits and efficiency in the organization.

Key Words: Strategic Procurement, supplier relations, strategic sourcing, Machakos County Government

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INTRODUCTION

Procurement means obtaining requirements in the procuring unit, while Public procurement is the attainment of the organizational requirements using public monies Okong'o (2016). It involves the conversion of a firm's objectives into quantifiable events which can be used to strategize, budget and manage the purchasing entity. Purchasing demonstrates a significant task in an operational functioning of any organization and therefore organizations require an effective procurement process in order to reduce costs and maximize efficiency. Organizations are now considering strategic procurement to replace, the old traditional methods.

There are various strategic procurement practices that affect performance. However, the main approaches for this study comprise; supplier relations and strategic sourcing Okong'o (2016). Strategic procurement practices first goal is to make sure that the scheme is working on getting hard and soft goals, hard objectives are the goals which can be measured including timely delivery of services, customer satisfaction and soft goals are confidence and trust Mahdillou and Akbary (2014).

Mueni and Moronge (2018) recommended that, for the organization to achieve high heights of strategic sourcing, the organization requires to familiarize a systematic approach to assess suppliers' contributions to the business. It helps the organization determine which suppliers are providing the best influence on the success and ensures they are performing well. Effective supply chain management uses SRM in procurement, processes, and project administration.

Strategic procurement is known as a critical role of an organization with the potential to; save cost, advance working efficacy, access to reliable suppliers, and progress in quality of product or service, sharing of best practices among others (Bobowski & Gola, 2017). More prominently the procurement organization acquires value for money through competitive procurement process from the available range of suppliers. For any purchase to

take place in a strategic procurement, it has to start with what is needed in the organization thereby eliminating possibilities of wastes in the procurement process (Quesada, Gonzalez & Muellen, 2014).

County performance is the examination of efficacy and competence of the result of county activities, where the achievement of a given assignment is measured against set out goals and objectives. It also includes planned activities by the county government in their strategic development plans and activities. Performance is believed to be the contentment of a responsibility, in a way that discharges the performance from all accountabilities under the contract. Performance management includes activities which ensure that goals are consistently being met in an effective and efficient manner (County Development Plan, 2018).

County government performance is linked with the procurement performance in the aspect that the strategic procurement practices are employed in procurement functions to enhance organization performance. According to Akong'o (2018), uninterrupted maintenance of a well-intentioned link is necessary as the providers are able to protect the firm through challenges of getting poor quality of products and services, delayed supplies among others. A well-coordinated procurement contributes to improved performance that applies to both private and public organizations.

The Kenyan Constitution 2010 came up with devolved Government divisions. Machakos County is one of the divisions, it is located in the Eastern region of Kenya and it occupies an area of 6,208Km² and an approximate of around 1,421,932 populations. Its headquarters are in Machakos town. Machakos County is a government institution and it is expected to carry out public procurement like any other government institution being guided by Public Procurement and Asset Disposal Act 2015 and public procurement and Asset Disposal regulations 2020.

The County is further divided into eight sub counties including; Matungulu, Machakos Town, Kathiani, Mwala, Masinga, Yatta, Mavoko and Kangundo. The sub counties are also divided into 40 electoral wards whereby a member of County Assembly heads each ward. Machakos County government structure consists of Chief Executive officers heading the County ministries including: Office of the Governor; Finance and economic planning; Public Service, quality management and ICT; County Public Service board; Roads, Transport and Public works; Health and Emergency services, Water, Irrigation, Environment and Natural Resources; Agriculture, Food Security and Cooperative Development; Tourism, Culture, Youth and Sports; County Administration and Decentralized Units; Trade Industrialization and Innovation; Education, Skills Training and Social Welfare; Energy, Lands, Housing and Urban Developments.

Statement of the Problem

Strategic procurement is becoming crucial towards improving both public and private organizations performance globally. In Kenya, County governments continue to lose a lot of public funds due to ineffective procurement practices due to county government's inability to employ procurement strategic practices. Additionally, public procurement process has continuously remained weak because of the traditional procurement practices employed by county government. This has hindered the execution of several government development projects both at county and national level (Mwangi, Kiarie & Kiai, 2018)

Auditor General's Report of 2017-2018 showed that Machakos County Government failed to account for over Sh.1billion in the previous financial year. Benjamin (2017) scrutinized the influence of procurement strategic in recognition of organizational objectives in Nigeria Private University where the study established a link between procurement preparation and recognition of the firms' goals and indicated that effective

negotiation had an influence on the total cost of ownership strategies in recognition of organizational goals.

Additionally, Akong'o (2018) examined role of strategic procurement in effectiveness in project development and operation at Trademark East Africa (TMEA), more explicitly recognized encounters met in the embracing of strategic procurement practices by TMEA. The study highlighted challenges which included; corrupt procurement processes which escalate inequity by diverting funds away from the intended purposes; wrong supplier choices that encouraged biased competition and bribery that affected quality services; deficiency of computerized procurement structures; absence of helpful Information Communication Technologies arrangement; and lack of ICT aids among procurement officers that significantly affected effective procurement procedures.

Another study by Wanja and Anaya (2017) assessed the importance of strategic procurement practices on the performance in Technical, Vocational and Educational Training Institutions (TVET). The study recognized that there is a importance amongst strategic procurement practices on the performance in Technical, Vocational and Educational Training Institutions (TVET).

While the previous studies have examined the impacts of strategic procurement and procurement performance in different areas, there is scanty studies on the effect of strategic procurement practices in the performance of devolved governments, this study thus, pursued to fill the gap left by studying the effects of strategic procurement practices on performance of county government of Machakos.

Objective of the Study

The general Objective of the research study was to determine the influence of strategic procurement practices on the performance of County governments in Kenya with the focus of County

government of Machakos. The specific objectives were;

- To establish the effects of supplier relations on the performance of Machakos County government.
- To assess the effects of strategic sourcing on the performance of Machakos County government.

LITERATURE REVIEW

Resource Dependence Theory (RDT)

RDT originated in the 1978 from Jeffrey Pfeffer and Gerald R. Salancik writings. It stresses the importance of procuring outside possessions as a significant principle of equally the strategic and tactical management of any company. Though, a theory of the concerns of this significance was not dignified until the 1970s, with the publication of *The External Control of Organizations* by Pfeffer and Salancik (1978). RDT recommends that no specific organization that has entirely the capital to function effectively; therefore, it's essential they come into interchange relations with others.

Firms, in their interchange dealings, strive for competitive advantage thus attracting equal dependent on the other partner. RDT advocates that some organizations have extra authority than counterparts due to their interdependency organizations and their communal situations (Pfeffer and Salancik, 1978). Formations endure concentrated on their efficacy to cope the mandate of connections that they depend on. Therefore, organizations will procure external resources as it is an important principle of both the strategic and tactical organization of any company.

The procurement of external resources is done in a way that it contributes to the competitiveness of the business. In the context of this study, through strategic procurement the organization will strategically procure externally resources and enhance its operations. This theory will help the researcher not to deviate from the research variables and statement

Social Exchange Theory (SET),

SET was intensely developed by American Sociologists George Homans, in 1958. It is a perception grounded on the belief that a link amongst two persons is produced through a procedure of cost advantage examination. It also tries to explore inter-organizational links from the dyadic perspective, aiming on the communal organization of the relationship reasonably than the contract (Homans, 1958).

SET assumptions are that all social relations are formed by the practice of a cost-benefit analysis and the evaluation of alternatives. Performers decide to continue in a correlation as long as it's favorable to them (Cropanzano & Mitchell, 2005). SET is exactly relevant in selecting of supplier strategies and arriving at conclusions on how to deal with suppliers (Kingshott, 2006). Obtaining position of a preferred customer, instead of basically being a consistent consumer or even an exit customer, is the main goal, as it leads to fortunate dealing and certain supply, which then decreases uncertainty (Narasimhan, Nair, Griffith, Arlbjørn & Bendoly, 2009).

In the context of this study, for the organization to maintain a good supplier relations will be guided with the nature of social interactions (with the supplier) which are designed by the involvement of cost-benefit analysis and the evaluation of alternatives (alternative suppliers). The organization and the suppliers will decide to endure in a correlation as long as its valuable to both of them (organization and the supplier).

Empirical Review

The study of Abdalla and Abdalla (2016) examined the influence of supplier relationship management (SRM) on competitive performance in the manufacturing sector. The study through a literature review, measured SRM through five main practices: supplier quality enhancement, trust-based connection with suppliers, supplier lead time decrease, supplier partnership in new product expansion, and supplier corporation while competitive performance was measured through

cost, quality, flexibility, delivery, and on time product launch.

The study using international data collected in Japan, Korea, USA, and Italy as part of round 3 of High Performance Manufacturing (HPM) project, and After using statistical package of social sciences (SPSS) to describe and analyze the data, the findings show that two practices of supplier relationship management, supplier development and supplier lead time decrease significantly and positively affect the competitive performance of the procuring entities. In consideration of Perono and Saccani (2017), they evaluated the incorporation methods in customer supplier interactions. An empirical review of the Italian industry of household appliances explored customer and supplier interactions from the perspective of small and medium enterprises (SMEs).

Questionnaires were involved and interviews with six plastic moulding companies. The findings of the study explored that companies focus on the integration of practices procurement in their production activities to enhance important coordination effective product and services delivery. The study of Singh and Sharma (2015) evaluated the supplier relationship management and selection strategies in India. A comprehensive literature reviewed over 30 published papers, different theoretical models, empirical data and conclusions were analyzed relating to SRM to find its role in establishing better supplier relationships.

The study established that dominant factors concerned for buyer-supplier relations include trust, power and related benefits that are crucial for the organization profitability. Another study of Addae (2015) sought to establish the Supplier Relationship Management Practices of Ministries, Department and Agencies (MDA's) in Ghana. The survey targeted eighty (80) respondents was made up of personnel from GHA (Ghana Highway Authority), private road contractors and consultants who are in charge of GHA projects.

The study while using primary and secondary data collection methods for the research revealed that most people from the GHA did not understand the concept and a large number were not aware of Supplier Relationship Management. The study of Gatobu and Moronge (2018) which assessed the effect of supplier relationship management on procurement performance in fast moving consumer goods manufacturing firms in Nairobi City County, Kenya. Descriptive research design was employed. 225 supply chain officers were used as target population of the fast moving consumer goods firms in Nairobi City County. Stratified Random Sampling was used for data collection, and by answering of questionnaires both quantitatively and qualitatively. The results were analyzed using both descriptive and inferential statistics. The study guided that there was necessity to have supplier connections and have strong structural bonds with the suppliers for cost reduction and timely delivery of goods.

The study of Klas, Greer and Ginneken (2016) compared Strategic Purchasing in Practice in ten European Countries. The study conducted a review of literature of material drawn from the European Observatory on Health Systems and Policies Health Systems in Transition series, other European Observatory databases, and selected country-specific literature to augment the comparative analysis by providing the most recent healthcare trends in ten selected countries. The findings of the study indicated that existing sourcing mechanisms in Europe are not strategically developed to deliver improved population health, citizen empowerment, do not have stronger governance and stewardship and therefore are not able to develop purchasing organization capacity. The study emphasized that strategic sourcing in the health sector has not generally been implemented.

Also Obrien, Azambuja and Ponticelli(2016) carried out a study on the strategic procurement practices for the industrial supply chain in Malaysia. The study through a cross-case analysis describes similarities and differences between EPCs and helps

to compare empirical findings with the broader literature. The findings emphasized the need for strategic sourcing and stressed on how engineering-procure-construction (EPC) firms strategically source suppliers in the early stages of the project design and develop a lasting relation that does consider suppliers as strategic partners. Particularly in such strategic sourcing, the strategy is focused on involving the supplying firms to be incorporated in the delivery process through information sharing which reduces the whole procurement process in the company.

On the other hand, Ojino and Ayoo (2019) evaluated the effects of strategic sourcing in

petroleum companies in Nigeria. The study used interviews and structured questionnaires to collect data from 17 petroleum companies' executives in Nigeria. The findings of the study established that through strategic sourcing the companies are able to carry out effective suppliers' selection, evaluation, and bring together suppliers or consortiums of suppliers in order to attain functioning enhancements in support of an organization's strategic objectives that includes reduced costs for products and materials. The study revealed that organization and their suppliers have come together into a working relationship through strategic supplier relationship and strategic sourcing.

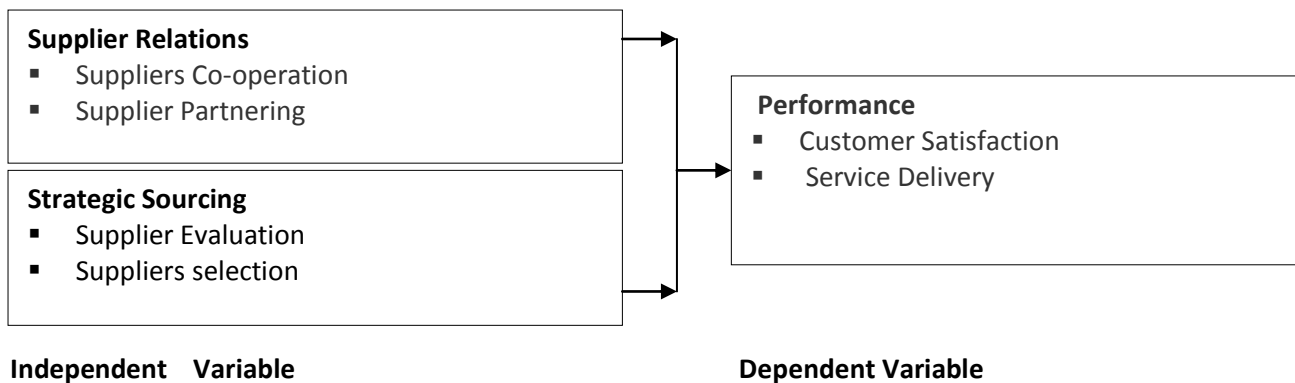


Figure 1: Conceptual Framework
Source: Author (2020)

METHODOLOGY

The Study used descriptive survey design. The target population for the study was 150 respondents who were employees of Machakos County government. The researcher collected data from 25 Directors, 25 Assistant directors, 40 Head of Departments and 35 Procurement Staff and 25 Chief Officers who work in the Machakos County government. The study was a census and therefore collected data from the whole population and was guided by the three categories of respondents as listed above and included 150 respondents who are the employees of Machakos County government. This study focused on the entire population targeted as the sample for the study. The main source of data was primary data. The study used a

structured questionnaire as it provided the respondents with freedom to respond to the question posed to them. The quantitative data collected was organized and cleaned. The data were coded, keyed in and stored in the computer Microsoft Excel Program. Data were then exported to the SPSS software version 23.0 for analysis.

FINDINGS AND DISCUSSION

Effects of Supplier Relations on the Performance in Machakos County

The first objective of the study was to establish the effects of Supplier Relations on the Performance in Machakos County and the responses was as follows:

Table 1: Effects of Supplier Relations on the Performance in Machakos County

Supplier Relations	SA	A	Neutral	D	SD	Mean	STDV
	%	%	%	%	%		
Supplier Relations affect the Performance	50.0	3.2	23.4	19.1	4.2	3.32	1.354
SRM has contributed to improvement of customer satisfaction	67.0	5.3	24.5	3.2	1.6	4.13	.895
SRM has contributed increased partnership in the procurement process leading to good working relationship between the suppliers and the county government	58.5	11.7	9.6	17.0	3.2	3.65	1.023
Good cooperation between suppliers and county government has contributed to timely delivery of goods and services	61.7	21.3	11.7	1.6	3.7	4.15	1.005
Quality deliveries of goods has be achieved through effective Supplier Relation	53.2	31.9	17.0	24.5	5.3	4.36	.760
SRM has contributed to reduced cost in procurement procedures	17.0	59.6	2.1	14.9	6.4	4.13	.895
The county government is able to meet its objectives by having timely and quality deliveries.	31.9	40.4	24.5	3.2	1.1	4.13	.895

The findings of the study indicated that 53.2% of the respondents felt that supplier relations affect the performance, 23.4% were neutral while another 23.4% of the respondents felt that supplier relations did not affect the performance. The study was consistent with Abdalla and Abdalla (2016) findings that established that supplier relationship management, supplier partnership/development and supplier lead time reduction significantly and positively affect the competitive performance of the buying firms. The response registered a mean of 3.32 and a difference in response of 1.354 standard deviations. This indicated that there was a high difference in response on whether supplier relations affected the performance.

On whether SRM had contributed to improvement of customer satisfaction, the findings of the study indicated that 72.3% of the respondents felt that SRM had contributed to improvement of customer satisfaction, 24.5% were neutral while only 20.2% of the respondents felt that SRM had not contributed to improvement of customer satisfaction. This indicated a mean of 4.13 and a standard deviation of .895. This indicated that there was a low difference in response on whether SRM had contributed to improvement of customer

satisfaction. The findings of study supported the findings by Wanjiru *et al*, (2018) that stated that strategic procurement as one of the focal function of an organization with the prospective of saving costs; the study also established that the competitive advantage is increased by practicing strategic sourcing in the county; strategic sourcing has enabled our county achieve strategic advantage and supplier evaluation has led to increased workflow.

The findings of the study indicated that 70.2% of the respondents felt that SRM had contributed increased partnership in the procurement process leading to good working relationship between the suppliers and the county government, 9.6% were neutral while another 20.2% of the respondents felt that SRM has not contributed increased partnership in the procurement process leading to good working relationship between the suppliers and the county government. The response registered a mean of 3.65 and a standard deviation of 1.023. This showed that that there was an average response difference on whether the SRM has contributed increased partnership in the procurement process leading to good working

relationship between the suppliers and the county government.

On the other hand the findings of the study indicated that 83.0% of the respondents felt that good cooperation between suppliers and county government has contributed to timely delivery of goods and services, 11.7% were neutral while 5.3% of the respondents felt that good cooperation between suppliers and county government has not contributed to timely delivery of goods and services. The response in this part indicated a mean of 4.15 and a standard deviation of 1.005 which indicated that there was an average deference in terms of responses on whether good cooperation between suppliers and county government has contributed to timely delivery of goods and services.

When the study sought to establish whether quality deliveries of goods has been achieved through effective supplier relations, the findings of the study indicated that 53.2% of the respondents felt that timely deliveries is achieved by practicing supplier relations, 17.0% were neutral, while only 29.8% of the respondents felt that quality deliveries of goods has not been achieved through effective supplier relation. This supports a study by Perono and Saccani (2017) that established that through a good supplier relation companies are able to integrate collaborated procurement practices in their production activities for effective products and services delivery.

This indicated a mean of 4.36 and a standard deviation of .760. This indicated that there was a

low difference in response on whether quality deliveries of goods have being achieved through effective supplier relation.

The findings of the study indicated that 76.6% of the respondents felt that SRM has contributed to reduced cost in procurement procedures, 2.1% were neutral, while another 21.3% of the respondents felt that SRM has not contributed to reduced cost in procurement procedures. The response registered a mean of 4.13 and a difference in response of 0.895 standard deviation. This indicated that there was a low difference in response on whether SRM has contributed to reduced cost in procurement procedures.

Lastly the study had sought to establish whether the county government is able to meet its objectives by having timely and quality deliveries, the findings of the study indicated that 72.3% of the respondents felt that the county government is able to meet its objectives by having timely and quality deliveries, 24.5% were neutral, while only 3.2% of the respondents felt that the county government is not able to meet its objectives by having timely and quality deliveries. This indicated a mean of 4.13 and a standard deviation of .895. This indicated that the county government is able to meet its objectives by having timely and quality deliveries.

Effects of strategic sourcing on the Performance in Machakos County

The second objective of the study was to establish the effects of strategic sourcing on the Performance in Machakos County and the response was as follows:

Table 2: Effects of strategic sourcing on the Performance in Machakos County

Strategic sourcing statements	SA	A	Neutral	D	SD	Mean	STDV
	%	%	%	%	%		
Strategic sourcing affect the Performance of the County Government.	35.1	47.9	11.7	3.2	2.1	4.06	.902
The county government is able to shortlist potential suppliers for easy of evaluation process	26.6	26.6	23.4	17.0	6.4	3.32	1.354
There is a good evaluation of supplier's capabilities before final decision to procure	37.2	53.2	4.3	1.1	4.3	4.36	.878
The economic value addition to investment is	42.6	17.0	30.9	7.5	2.1	3.65	1.023

led by Spend Analysis							
Supplier Evaluation within the County Government has led to improvement of quality of goods procured	51.1	11.7	31.9	4.2	1.1	3.60	.920
Supplier evaluation has led to increased workflow	11.7	47.9	31.9	2.1	6.4	4.21	.654
Strategic sourcing has enabled our County achieve strategic advantage	44.7	37.2	11.7	4.3	6.4	4.11	.921
Spend analysis has led to waste reduction leading to overall cost reduction	20.2	20.2	36.2	11.7	11.7	4.13	.895
Strategic sourcing has led to efficiency in the organization	14.9	37.2	30.9	4.3	12.7	4.03	.873

The findings of the study indicated that 83.0% of the respondents felt that strategic sourcing affect the performance of the County Government, 11.7% were neutral, while another 5.3% of the respondents felt that strategic sourcing did not affect the performance of the County Government. The finding stresses the importance of strategic procurement on the performance of the organization and is consistent with the findings by Mutua (2018) that established that proper sourcing strategies greatly improve the performance of these institutions. The response registered a mean of 4.06 and a difference in response of .902 standard deviation. This indicated that there was an average difference in response on whether strategic sourcing affects the performance of the County Government.

On whether the county government is able to shortlist potential suppliers for easy of evaluation process, the findings of the study indicated that 53.2% of the respondents felt that the county government is able to shortlist potential suppliers for easy of evaluation process, 23.4% were neutral, while only 23.4% of the respondents felt that the county government is not able to shortlist potential suppliers for easy of evaluation process. This indicated a mean of 3.32 and a standard deviation of 1.354. This indicated that there was a low difference in response on whether the county government is able to shortlist potential suppliers for easy of evaluation process.

The findings of the study indicated that 90.4% of the respondents felt that there is a good evaluation

of supplier's capabilities before final decision to procure, 4.3% were neutral, and while another 5.3% of the respondents felt that there is no good evaluation of supplier's capabilities before final decision to procure. The response registered a mean of 4.36 and a standard deviation of .878. This showed that that there was a low response difference on whether the there is a good evaluation of supplier's capabilities before final decision to procure.

On the other hand the findings of the study indicated that 59.6% of the respondents felt that the economic value addition to investment is led by spend analysis, 30.9% were neutral, while 9.6% of the respondents felt that the economic value addition to investment is not led by spend analysis. The response in this part indicated a mean of 3.65 and a standard deviation of 1.023 which indicated that there was an average difference; in terms of responses on whether the economic value addition to investment is led by spend analysis.

When the study sought to establish whether supplier evaluation within the County Government has led to improvement of quality of goods procured, the findings of the study indicated that 62.8% of the respondents felt that supplier evaluation within the County Government has led to improvement of quality of goods procured, 31.9% were neutral while only 5.3% of the respondents felt that supplier evaluation within the County Government has not led to improvement of quality of goods procured. The findings of the study is consistent with Ojino and Ayoo (2019) findings

that revealed that organization and their suppliers have come together into a working relationship through strategic supplier relationship. This indicated a mean of 3.60 and a standard deviation of .920. This indicated that there was an average difference in response on whether supplier evaluation within the County Government has led to improvement of quality of goods procured.

The findings of the study indicated that 76.6% of the respondents felt that supplier evaluation has led to increased workflow, 2.1% were neutral, while another 21.3% of the respondents felt that supplier evaluation has not led to increased workflow. The response registered a mean of 4.13 and a difference in response of 0.895 standard deviation. This indicated that there was a low difference in response on whether supplier evaluation has led to increased workflow.

The findings of the study indicated that 81.9% of the respondents felt that strategic sourcing has enabled our county achieve strategic advantage, 11.7% were neutral while another 6.4% of the respondents felt that strategic sourcing has not enabled our county achieve strategic advantage. The response registered a mean of 4.11 and a standard deviation of .921. This showed that that there was an average response difference on whether strategic sourcing has enabled our county achieves strategic advantage.

On the other hand the findings of the study indicated that 40.4% of the respondents felt that spend analysis has led to waste reduction leading to overall cost reduction, 36.2% were neutral while 23.4% of the respondents felt that spend analysis has led to waste reduction leading to overall cost reduction. The response in this part indicated a mean of 3.65 and a standard deviation of 1.023 which indicated that there was an average deference in terms of responses on whether spend analysis has led to waste reduction leading to overall cost reduction.

Lastly the study had sought to establish whether strategic sourcing has led to efficiency in the organization, the findings of the study indicated that 52.1% of the respondents felt that strategic sourcing has led to efficiency in the organization, 30.9% were neutral while only 17.0% of the respondents felt that strategic sourcing has not led to efficiency in the organization. This indicated a mean of 4.03 and a standard deviation of .873 .This indicated that strategic sourcing has led to efficiency in the organization.

Performance factors at County Government of Machakos

The study had also sought to establish Performance factors at County Government of Machakos. The following were the responses:

Table 3: Performance Factors

Performance	SA	A	Neutral	D	SD	Mean	STDV
	%	%	%	%	%		
The required goods and services are available when required	22.3	29.8	17.0	21.3	9.6	4.03	.873
The county government is able to achieve its development projects as in the county strategic development plan	59.6	23.4	19.1	4.3	17.0	3.99	.849
Service delivery has been improved in the county due to timely and quality delivery of goods and services.	24.5	50.9	20.2	1.1	3.2	4.40	.574
High levels of customers satisfaction has been achieved through strategic procurement	43.6	20.2	9.6	11.7	14.9	4.05	.847
The county government has been able to achieve high levels of customer satisfaction.	44.7	25.6	5.3	7.5	17.0 7	3.50	1.03 4

Source: Field Study, 2020

The findings of the study indicated that 52.1% of the respondents felt that the required goods and services are available when required, 17.0% were neutral while another 30.9% of the respondents did not feel that the required goods and services are never available when required. The response registered a mean of 4.03 and a difference in response of 0.873 standard deviation. This indicated that there was an average difference in response on whether the required goods and services are available when required.

On whether the county government is able to achieve its development projects as in the county strategic development plan, the findings of the study indicated that 59.6% of the respondents felt that the county government is able to achieve its development projects as in the county strategic development plan, 19.1% were neutral while only 21.3% of the respondents felt that the county government is not able to achieve its development projects as in the county strategic development plan. This indicated a mean of 3.99 and a standard deviation of .849. This indicated that there was an average difference in response on whether the county government is able to achieve its development projects as in the county strategic development plan. The study also supports the findings by Nair, Jayaram and Das (2015) that stressed that the adaption of procurement processes enables the incorporation of the best and new practices that reduce operational costs and enhance efficiency.

The findings of the study indicated that 75.4% of the respondents felt that service delivery has been improved in the county due to timely and quality delivery of goods and services, 20.2% were neutral

while another 4.3% of the respondents felt that service delivery has been improved in the county due to timely and quality delivery of goods and services. The response registered a mean of 4.40 and a standard deviation of .574. This showed that that there was very low difference in response on whether service delivery has been improved in the county due to timely and quality delivery of goods and services.

On the other hand the findings of the study indicated that 63.8% of the respondents felt that high levels of customers satisfaction has been achieved through strategic procurement, 9.6% were neutral while 26.6% of the respondents did not feel that high levels of customers satisfaction has been achieved through strategic procurement. The response in this part indicated a mean of 4.05 and a standard deviation of .847 which indicated that there was an average deference in terms of responses on whether high levels of customers satisfaction has been achieved through strategic procurement.

Lastly, when the study sought to establish whether the county government has been able to achieve high levels of customer satisfaction, the findings of the study indicated that 70.3% of the respondents felt that the county government has been able to achieve high levels of customer satisfaction, 5.3% were neutral while only 24.5% of the respondents felt that the county government has not been able to achieve high levels of customer satisfaction. This indicated a mean of 3.50 and a standard deviation of 1.034. This indicated that there was an average difference in response on whether the county government has been able to achieve high levels of customer satisfaction.

Inferential Analysis

Table 4: Correlation Analysis

		X1	X2	X3	X4
Performance	Pearson Correlation	1			
	Sig. (2-Tailed)				
	N	52	52		
Supplier Relation	Pearson Correlation	.845**	1		
	Sig. (2-Tailed)	.000			

	N	52	52			
Strategic Sourcing	Pearson Correlation	.698**	.774**	1	.	
	Sig. (2-Tailed)	.000	.000			
	N	52	52	52		
	Sig. (2-Tailed)	.000	.000	.000	.000	
	N	52	52	52	52	52

This part of the study contained the analysis to establish whether each of the independent variables: Strategic procurement practices (supplier relation and strategic sourcing) influence the Dependent Variable: Performance of Machakos County in Kenya under investigation. The findings for each variable was given by Pearson (r) and its corresponding p-value is less 0.05 at 95% confidence level, then the study concludes that there is a significant relationship between the variables. Table 4 showed the bivariate linear correlation between the various independent variables: procurement practices (supplier relation and strategic sourcing) influence the Dependent Variable: Performance of Machakos County.

The first specific objective of the study was to determine the significance influence of supplier relation on performance in Machakos County. The findings of the study showed that supplier relation (X1) has a significance influence County ($r=.845, P<.000$) on the performance in Machakos County. This suggested that performance in Machakos County can be enhanced if supplier relations improved.

The second specific objective of the study was to determine the significance influence of strategic

sourcing on performance in Machakos County. The findings of the study showed that strategic sourcing (X2) has a significance influence County ($r=.698, P<.000$) on the performance in Machakos County .This suggested that performance in Machakos County can be enhanced if strategic sourcing is improved.

This indicated that all the strategic procurement practices (supplier relation and strategic sourcing) have a significance influence the performance in Machakos County. Results indicated that out of the two strategic procurement practices supplier relation would have the most effect on performance in Machakos County followed by strategic sourcing.

Regression Analysis

The research tested the relationship between: Independent Variables strategic procurement practices (supplier relations and strategic sourcing) and Dependent Variable: the Performance in Machakos County in Kenya. The research study explored the relationship or the link in consideration. The formula below showed the model:-

Analytical research model

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Table 5: Effects of strategic procurement on Performance in Machakos County: Model Summery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 ^a	.827	.821	.193

The coefficient of determinant (R-squared) of .827 that presents a 82.7 % of the total variation in on the procurement performance in Machakos County. On the other hand the Adjusted R Squared of .821 indicated these procurement practices factors (supplier relations and strategic sourcing), in

exclusion of constant variable, explained in the changes in performance in Machakos County under investigation by 82.1 %. The remaining (17.9%) can be explained by the factors not included in the regression model under investigation

Table 6: Effects of strategic procurement on the performance in Machakos County: ANOVA
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.051	3	5.350	143.436	.000 ^b
	Residual	3.357	90	.037		
	Total	19.408	93			

a) Dependent Variable: Procurement Performance

b) Predictors: (Constant), Supplier Relation and Strategic Sourcing

The table 6 above that showed a regression output of strategic procurement practices factors (supplier relation, strategic sourcing, e-procurement and procurement sustainability), as valid ($F(3, 90) = 143.436$, $P < .000$). This meant that Strategic procurement practices (supplier relations and strategic sourcing), can be used as predictors explaining the variation in the performance in

Machakos County. The $P < 0.000$ which is less than the critical value of 0.05 led us to reject the null hypothesis and accepting the alternative hypothesis that procurement practices factors (supplier relations and strategic sourcing), have a positive and significant influence on the performance in Machakos County.

Table 7: Effects of strategic procurement practices on the performance in Machakos County: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.211	.403		.523	.603
	Supplier Relation	.198	.167	.204	1.185	.004
	Strategic Sourcing	.122	.191	.128	.643	.023

From the multi-regression results above it indicated that all the strategic procurement practices (supplier relations and strategic sourcing) ($X_1: \beta_1 = .198$, $P < .042$), ($X_2: \beta_2 = .122$, $P < .023$) and would have a significant influence on the performance of Machakos County.

The findings of the study also indicated that a .198 change in supplier relations, .122 changes in strategic sourcing, .029 changes will have unit change on the performance of Machakos County. While the two strategic procurement factors would have a significance influence on the performance of Machakos County, supplier relations would have the most significance influence on the performance of Machakos County, followed Strategic Sourcing which has the least significance influence on the performance of Machakos County government.

$$Y = 0.211 + .198X_1 + 0.122X_2 + e$$

This indicated that a unit increases a .198 change in supplier relations and .122 change in strategic sourcing will have unit change on the performance of Machakos County. Where; Constant .211 that indicated that if supplier relations and strategic sourcing are all rated at zero, the performance of Machakos County government would stay at .211.

CONCLUSIONS AND RECOMMENDATIONS

The findings of the study established that supplier relation affect the performance; SRM had contributed to improvement of customer satisfaction and enabled the increased partnership in the procurement process leading to good working relationship between the suppliers and the county government and that good cooperation between suppliers and county government has contributed to timely delivery of goods and services. The findings of the study also established

that quality deliveries of goods had been achieved through effective supplier relation, SRM contributed to reduced cost in procurement procedures and that the county government was able to meet its objectives by having timely and quality deliveries.

The findings of the study indicated that strategic sourcing affect the performance of the County Government; the county government was able to shortlist potential suppliers for easy of evaluation process,; there is a good evaluation of supplier's capabilities before final decision to procure; the economic value addition to investment is led by spend analysis and that supplier evaluation within the County Government has led to improvement of quality of goods procured. The findings of the study established that supplier evaluation has led to increased workflow; strategic sourcing has enabled our county achieve strategic advantage; strategic sourcing has led to efficiency in the organization and spend analysis has led to waste reduction leading to overall cost reduction.

The findings of this study indicated that supplier relations and strategic sourcing affect the performance of Machakos County on the performance of Machakos County. This meant that, if the county improved strategic procurement practices then the county could enhance the efficacy and effectiveness of procurement performance in the county government. This indicated that both procurement practices factors (Supplier relations and Strategic Sourcing) have a significance influence the procurement performance in Machakos County.

Results indicated that out of the two strategic procurement practices performance factors, supplier relations would have the most effect on procurement performance in Machakos County followed by strategic sourcing. The findings of the study indicated that supplier relation (X1) ($r=.845$, $P< .000$) , strategic sourcing (X2) ($r=.698$, $P< .000$),

have a significance influence on the performance in Machakos County.

The findings of the study also indicated that procurement practices factors (supplier relations and strategic sourcing), in exclusion of constant variable would have a 82.1 % change influence on the performance in Machakos County. The findings of the study also indicated that a .198 change in supplier relation, .122 change in strategic sourcing would have unit change on the performance of Machakos County. The two strategic procurement factors would have a significance influence on the performance of Machakos County.

The study recommended that there is need for the procurement function at the county government to enhance supplier relations in order to improve the quality of goods procured. There is need for the county government to understand that connecting of the customers can only be achieved only when supplier cooperation is well done and that supplier partnering needs to be enhanced as it contributes greatly to waste and cost reduction.

The county government should ensure that there is effective strategic sourcing in order to attain higher profits and efficiency in the organization. This should be done by identifying ways that the county government can carry out supplier selection and supplier evaluation in a way that it can optimize benefits through reduced cost, efficiency of operations and reduction of lead time.

Suggestion for Further Studies

There is need for a study to establish the levels of knowledge on the use of e-procurement in county governments in Kenya. There is need to establish the extent to which county governments have adapted e-procurement

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