EFFECTIVE NEEDS ASSESSMENT PRACTICES ON PROCUREMENT PERFORMANCE IN SOSION GEOTHERMAL ENERGY COMPANY LIMITED, COUNTY GOVERNMENT OF NAKURU; KENYA

Matenge Emmanuel Mwathi & Dr. Dennis Juma, PhD

The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 11, Iss.3, pp 903 – 915, November 1, 2024. www.strategicjournals.com, © Strategic Journals

EFFECTIVE NEEDS ASSESSMENT PRACTICES ON PROCUREMENT PERFORMANCE IN SOSION GEOTHERMAL ENERGY COMPANY LIMITED, COUNTY GOVERNMENT OF NAKURU; KENYA

Matenge Emmanuel Mwathi [1] & Dr. Dennis Juma, PhD [2]

[1] Master Student, Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya
[2] Lecturer, Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya

Accepted: October 15, 2024

DOI: http://dx.doi.org/10.61426/sjbcm.v11i4.3125

ABSTRACT

Growth and self-sustainability of an organization depends on how the organization lays down her strategies on the functions that make the organization achieve her goals. Procurement as a function in an organization plays a major role; hence, binds together the organization and external environment in terms demanding and supplying relationship. Most of the organization normally experience poor procurement performance because of poor execution of procurement practices. The study was anchored on the theories, namely; Transaction cost theory, Queuing theory and Just in Time Theory. The main purpose of this research study was to examine the Needs Assessment Practices on Procurement Performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. Descriptive Survey research design was adopted for the study. The target population consisted of employees of Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. Descriptive and Inferential statistics was focused on and the computation was done by use of SPSS version 24 to test the primary data that was collected to satisfy the objectives of study. Pilot study was conducted on employees of Kenya Power and Lighting company limited in Eldoret, Uasin Gishu County Government. Structural regression equation model was developed to test the relationships between the variables. ANOVA was performed to analyse the effects of various relationships at the variables level as well at item level. The result after the analysis was; Effective Needs Assessment Practices had an influence on Procurement performance. The study recommends for the organizations to embrace Effective Needs Assessment Practices since they improve on procurement performance. However, the study recommended for further studies on different organizations using different methods but on similar variables.

Key Words: *Effective Needs Assessment, Procurement Practices, Performance*

CITATION: Matenge, E. M., & Juma, D. (2024). Effective needs assessment practices on procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. *The Strategic Journal of Business & Change Management,* 11 (4), 903 – 915. http://dx.doi.Org/10.61426/Sjbcm.v11i4.3125

INTRODUCTION

Procurement is more listed as fundamental for service delivery in less developed economies than developed economies; more so, in any organization expenditure takes a significant figure of the total income available (Basheka & Bisangabasaija, 2010). Procurement is referred to as acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, the right quality, in the right quantity, at the right price and at the right time to maintain and manage a company's primary and support activities (Hui, 2011). According to Gelderman *et.al*, (2016), procurement is a process of identifying and obtaining goods and services. It includes sourcing, purchasing and covers all activities from pertinent suppliers contractually. At the beginning, the items needed to procure are defined, and then the process for acquiring those items is expounded in detail.

Procurement Performance has been defined by several authors differently, according to Gelderman *et.al*, (2016), the scholars look at it from three perspectives; delivery times, consumer satisfaction and cost reduction; hence Procurement performance, encompasses all the parties that are involved either directly or indirectly, in fulfilling a customer request. Procurement Performance includes manufacturers, suppliers, transporters, warehouses, retailers and even customers themselves. Walter *et al*, (2015) contemplates within each organization, procurement process includes all functions including receiving and filling a customer request. These functions include new product development, marketing, operation, distribution, finance, customer service and other function that related to serving customer request.

In the study by Hui, (2011) on procurement performance, several nations, both the developed and under-developed have accordingly put in place procurement changes involving laws and regulations in order to improve on procurement performance; hence, regulatory compliance persistence as the major hindrance to it remains inadequate. De Boer and Telgen (2008) contended that non-compliance predicament afflicts countries in the European Union as it does to third world countries. Gelderman *et al*., (2016) further supports the argument by confirming that acquiescence in government procurement is a key problem. According to Hui (2011), procurement officials were accused of remissness and non-compliance with procurement policies and systems in Malaysia while investigating procurement problems that caused poor procurement performance. Basheka (2009 asserts, regardless of the effort by the governments of developing countries, like Kenya and development partners like the World Bank to improve performance of the procurement function, public procurement is still marred by shoddy works, poor quality goods and services.

Mamiro (2010), in his findings underscores facts relating to procurement performance and concludes that one of the major setbacks in procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010), argue that procurement performance is not usually measured in most public entities as compared with the human resource and finance functions; hence these scholars conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner (Arrowsmith & Hartley, 2002).

In the study by Barsemoi, Mwangangi and Asienyo (2014) on procurement performance, management of procurement process is one of the functions that have probably a wider implication in ensuring good

procurement performance because all organizations' departments charged with providing services are dependants on this process. Kabaj (2003) asserts reforming and strengthening systems of procurement must be given a high priority in the efforts to improve systems of procurement management in the African Countries. Most researchers among them, (Ebrahim, 2010) embraced procurement performance being the backbone of any institution's success globally since it contributes to competitive purchase and acquisition of quality goods that puts the organization products or services in the competitive edge in the market; thus, poor procurement performance is a major hindrance to the realization of organizational growth as it leads to delays in delivery, low quality goods and services.

Sollish and Semanik (2012) embraced funding for procurement being unlikely to be sufficient to meet all requirements for proper procurement performance, more so, scarce financial resources must be allocated to meet the priority services before less essential needs. According to Ebrahim (2010), procurement encompasses the whole process of acquiring goods and services; hence begins with an organisation identifying a need and decides on its procurement requirement More so, procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery and payment for the goods or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life.

According to Migai (2010), procurement practices are a set of activities undertaken by an organization to promote effective management of its supply chain, hence it is the foundation for private firm's success. Walter *et al*, (2015) contemplates proper procurement practices lead to competitive purchase and getting quality materials. The main goals of procurement are related with quality, financial and technical risks reduction, creating integrity in the organization and safeguarding from competition. Procurement is vital to institutions and its strategies have become part of a business success and development. It boosts efficiency and competitiveness and to realize these, it is vital to give emphasis about the strategic factors that affect the performance of the procurement function. Internal and external forces are influencing the ability to recognize the procurement goal. Kim *et al.,* (2013) stipulates factorable relations among different elements like professionalism, staffing levels and budget resources, organizational structure whether centralized or decentralized, procurement regulations, rules, guidelines, and internal control policies, all have impact on the performance of the procurement function and needs consideration.

In the study by Mburu (2015) on procurement performance, Needs Assessment is key to to the success of procurement functions since entails the identification of what needs to be procured. Weele (2015) asserts the organizations needs can best be identified through the needs assessment processes; hence the type of the goods, works or services required, more so, the procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process refers to needs assessment.

According to Aladejebi and Adedeji (2015) Needs Assessment is a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants; hence it is an important process in procurement because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

Oballah, Waiganjo and Wachira (2015) contemplated the beginning of the procurement process is need realization and identification of the requirements. This is informed by the inventory status, projects plan, production schedules, work

plans, capital or operational requirements budgets and the procurement plan. Ouma and Jennifer (2014) noted establishment of the requirements is the foundation for conducting market survey to ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market.

Mburu (2015) asserts procurement development in Kenya has been undergoing stages of development; hence, needs assessment was noted as a very important process under procurement. This scholar embraced needs assessment as a foundation for an effective procurement, failing on such a key process result into ineffective procurement processes that could affect the procurement performance in the firm. Weele (2015) asserts recent theorists also point to the importance of public administration as a moral and ethical concern and recognize that administrative action is permeated by moral choices and are therefore models of not only technical and professional competencies but also of moral behaviour in the needs assessment process.

Agreeably Mamiro (2010) in his findings underscores the fact of need assessment and concludes that one of the major setbacks in procurement is poor procurement needs assessment practice management, which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement, furthermore the scholar blames the staff responsible for procurement problems in an institution for not following up the needs assessment protocols. The scholar identified staff training and professionalism as other key factors that could make needs assessment processes relevant to the good procurement performance. The finding that training and professionalism confirms the views of Apiyo and Mburu (2014) that stipulates training ensures organization has people with the correct mix of attribute, through providing appropriate learning opportunities and enabling them to perform to the highest levels thus putting an organization as performing.

These views are further supported by Weele (2015), who viewed training as a selection of the best person for a job, and the first step in staffing; hence, selected people should be trained and developed to build an effective work force. Indeed, training is the process of increasing the knowledge and skills of an employee for doing a particular job. The findings in this study therefore confirm the views of how training can enhance value on the needs assessment process that ultimately improves the procurement performance.

According to Christopher (2012), efficient procurement practices, especially having proper needs assessment, contribute highly to the competitive advantage of the organization by operating at a lower cost, hence maintaining profitability and improved performance. This study will look at the influence of the procurement management practices on the performance of large retail enterprises in Nairobi County, Kenya.

Statement of the Problem

Most institutions globally encounter loses by use of poor procurement management practices; hence provides negative performance indicators to such organizations through un-warranted procurement protocols. According to Masindano, Makokha and Namusonge (2018), unfinished projects, poor service or product delivery, corruptions and extended contract periods results from not following the professional procurement channels. Mamiro (2010) also concludes that major setbacks in procurement performance is poor procurement planning and management of the procurement processes which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

Procurement performance management is the process that ensures institutions fully meet their respective wants as efficiently and effectively as possible, in order to deliver the business and operational objectives required from them and in particular to provide value for money operational activities. As a result, developing and managing

procurement practices in a professionally standard perspective, institutions would benefit from skilled practices that would at the end provide positive indicators of procurement performance as required by such entities (Migai, 2010). However, Proper Procurement Practices is not an end in itself and it is important that all items of procurement practices of decisions making are considered in a system focused manner (Yegon, 2018).

In the study by Basheka and Bisangabasaiija (2010), in developing countries, procurement function is increasingly recognized as essential in-service delivery; hence it accounts for a high proportion of total expenditure. Due to the colossal amount of money involved in procurement, there is need for accountability and transparency engraved within the public and private sector procurement protocols. Hui *et al*., (2011) contemplates most institutions have lacked professional procurement protocol practices and have instituted procurement reforms involving laws and regulations that consequently worsens such procurement practices; hence compliance being affected. The major obstacle however, has been inadequate regulatory compliance. Gelderman *et al*., (2006) confirm that non-compliance problem affects not only the third world countries but also countries in the European Union.

According to Kenyanya *et al*., (2011), Kenya has undergone significant development in the past three decades on Effective Needs Assessment practices as a function; however, most of the studies have been carried out on public sector organizations. Masanja (2018) stipulates the development of public procurement and asset disposal act 2015 in Kenya reflected positive procurement indicators in most institutions for both service and manufacturing industries, though most of the studies have been in public sector, however the scholar persist for less having been done on private sector procurement performance though private sector contributes a lot to the economies. For the purpose of the study, the argument raised by some scholars, among them Gelderman *et al*., (2006) and Kenyanya *et al*., (2011) on compliance with the Effective Needs Assessment Procurement practices on procurement performance gives and necessitates arising research gap for study on finding out how relevant the Effective Needs Assessment practices could be on the procurement performance of Sosion Geothermal Energy Company Limited in County Government of Nakuru; Kenya, considering the institution is a private/ public sector and in a service industry as well.

Study objective

To evaluate the effect of Effective Needs Assessment Practices on Procurement Performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya

Hypothesis

$\mathbf{H_{02}}$: Effective Needs Assessment practices have no significant effect on Procurement Performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya.

LITERATURE REVIEW

Theoretical Literature Review

Transaction Cost Theory (TCT)

Transaction Cost Theory was first developed by Ronald Coase in 1937. TCT states that a firm's ownership decision is based on minimizing the sum of its transaction and production costs. Transaction costs occur in the exchange between client and vendor. Williamson (1994) also asserts that transaction costs are comprised of the costs of seeking the suppliers, inspection of goods and establishing and formalizing the terms of agreement, including the means to both guarantee compliance with the terms and protect against the potential expropriation of the investments made, to ensure that contract conditions are fulfilled. These aspects form the pillar to successful outsourcing from third party providers given the delivery by each party to the relationship. According to Espino-Rodriguez and Gil-Padilla (2006) the greater the transaction costs, that is, the costs of information,

negotiation and supervision of compliance entail, the less the tendency to outsource the activity.

The primary factors producing transactional difficulties include: bounded rationality; opportunism; small numbers bargaining; information impactedness (McIvor, 2003). This theory implies that firms should consider cost implications of outsourcing initiatives for appropriateness. Management should outsource if the cost of doing the process is expensive than can be done by a service provider. According to the transaction cost theory, firms do exist to maximize profit by reducing their transaction costs; outsourcing to third party logistics service providers helps to minimize a firm's costs because as they grow in their capability, they offer services at lower costs to their clients (Bolumole *et al.,* 2007). It is generally accepted that transaction cost analysis is useful for assessing and taking a decision concerning outsourcing in logistics (Andersson, 1997).

Queuing Theory

According to Sundarapandian (2009), queuing theory is a mathematical study of waiting lines or queues. The theory enables mathematical analysis of several related processes, including arriving at the back of the queue, waiting in queue (a storage process) and being served in front of the queue.

The theory permits the derivation and calculation of several performance measures including the average waiting time in the queue or the system, the expected number waiting or receiving service, and the probability of encountering the system in certain states such as empty, full having an available server or having to wait a certain time to be served (Boucher & Couture-Piché, 2015). Queuing model can be utilized to model the material handling system variations and genetic algorithm can be implemented to solve the integrated optimization problem. It is also demonstrated that the proposed optimization approach can significantly improve a production system with respect to total travelling time, total work-in-progress in the system, utilization and quantity of material handling equipment and required area (Sundarapandian, 2009). In this study, the queuing theory is used to explain the association between warehouse management and organizational performance. The use of the queuing theory helps organization to optimize facilities layout design and material handling systems while minimizing storage cost (Sundarapandian, 2009). Warehouse management in an organization helps to reduce the number of staff required, storage area as well as time taken to store or retrieve various materials for use.

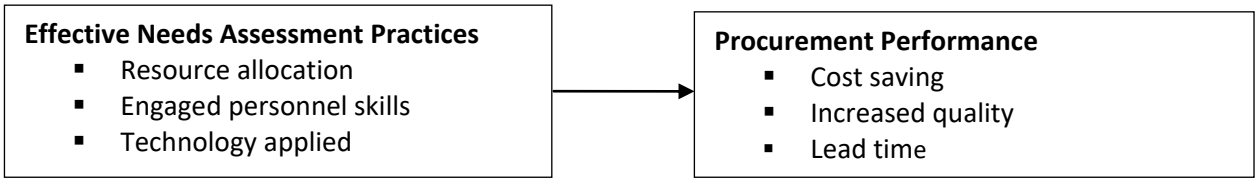
Just In Time (JIT) Model

JIT is a Japanese management philosophy which has been applied in practice since the early 1970s in many Japanese manufacturing organizations. It was first developed and perfected within the Toyota manufacturing plants by Taiichi Ohno as a means of meeting consumer demands with minimum delays. Taiichi Ohno is frequently referred to as the father of JIT. Toyota was able to meet the increasing challenges for survival through an approach that focused on people, plants and systems. Toyota realized that JIT would only be successful if every individual within the organization was involved and committed to it, if the plant and processes were arranged for maximum output and efficiency, and if quality and production programs were scheduled to meet demands exactly (Yin, 2014). JIT manufacturing has the capacity when properly adapted to the organization, to strengthen the organization's competitiveness in the marketplace substantially by reducing wastes and improving product quality and efficiency of production. When first developed in Japan in the 1970s, the idea of just in-time (JIT) marked a radical new approach to the manufacturing process. It cut waste by supplying parts only as and when the process required them. The old system became known (by contrast) as just in- case; inventory was held for every possible eventuality, just in case it came about. This is an inventory management systems method whose goal is to maintain just enough material in just the right place at just the right time

to make first the right amount of the product (Lewin, 2012).

Japanese manufacturing firms where inventory is acquired only when required in business for production process and this aimed at improving the return on investment of the business by reducing in-process inventory and its associated costs (Leonard, 2000). In this system, the supplier has the responsibility of delivering the components and part to the production line "Just in Time" to be assembled. Other names for just in time system is Zero stock inventory and production. For the just in time method to work successfully the quality of the parts must be very high because defective materials could up halt the operations of the assembly line, there must be dependable relationships and smooth co-operation with suppliers, ideally this implies that the supplier should be located near to the company with dependable transportation available (Hendrick & Signhal, 2005). Just in time inventory management systems system helps in reducing inventory costs by avoiding carriages of excess inventories and mishandling of raw materials. According to Lewin (2012), Just in purchasing recognizes high costs associated with holding high inventory level and as such it has become important in most organizations to order inventory just in time for production so as to cut costs of holding inventory like storage, lighting, heating, security, insurance and staffing.

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

METHODOLOGY

Research Design: This study adopted descriptive research design. It is one of the most widely used non-experimental research designs across disciplines to collect large amounts of survey data from a representative sample of individuals sampled from the target population. Srivastava and Rego (2011) opines that research design is a comprehensive plan of sequence of operations that a researcher intends to carry out to achieve the objectives of a research study. This study adopted a descriptive survey research design since data involved was quantitative in nature and more so descriptive study focuses on explaining situations.

Target Population: Target population refers to the entire group of individuals or objects to which a researcher is interested in generalizing the results of the study and having observable same characteristics (Mugenda & Mugenda, 2009). Population is a collection of elements on which a scholar can make some inference (Cooper & Schindler, 2011). On other hand population is referred as all items in any field of inquiry as well-known as a universe (Kothar, 2004). Target population encompassed staffs of Sosion Geothermal Company Limited that are at the level of making decisions; hence the departments considered; Finance, Human Resources, Procurement, Ware housing and ICT. The study target 53 respondents from the 5 departments under study.

Table 1: Population	Limited 2023
Sectors	**Population**
1. Finance	9
2. Human Resource	14
3. Procurement	11
4. Warehousing	8
5. ICT	11
Total	**53**

Source: Sosion Geothermal Energy Company

Sample and Sampling Technique: Samples refer to subsets or small parts of the total number that could be studied (Mugenda & Mugenda, 2009). Sampling frame is a list of elements from which a sample could actually be drawn (Cooper & Schindler, 2011). Sampling frame is a list containing items from which a sample is drawn (Kothar, 2004). The current study used purposive technique to derive its sample population from the Sosion Geothermal Energy Company Limited that includes; staff from Finance, Human Resource, Procurement, Warehousing and ICT departments. All the mentioned 53 persons in table 1 were to be respondents.

Research Instrument: The study used a questionnaire as an instrument to collect data. According to Creswell (2014), questionnaires are crucial in collecting unbiased data from a large sample. Research instruments are testing devices used for measuring a given phenomenon designed to obtain data on a topic of interest from research subject (Maina, 2012); hence a structured questionnaire was used as a primary data collection instrument in collecting general information on procurement practices and procurement performance of Sosion Geothermal Energy Company Limited.

Data Analysis: The collected data was thoroughly examined and checked for errors and tabulated accordingly. The study used descriptive statistics to analyse the data to establish patterns, trends and relationships. Data was presented in frequency tables. The effect of Effective Needs Assessment practices on Procurement Performance. The applicable regression model is shown below:

$y = \alpha + \beta_1 X_1 + \varepsilon$

Where;

Y= Performance

α =constant

β_1 = parameter estimate

X_1 = Effective Needs Assessment practices

ε is the error of prediction.

FINDINGS AND DISCUSSION

Response Rate

The study involved 53 questionnaires being dispatched for data collection, 51 questionnaires were returned completely filled, representing a response rate of 87.9% which was good because of over average and for generalization of the research findings to a wider population.

Descriptive Statistics of the Variable in the Study;

Descriptive statistics: Effective Needs Assessment and Procurement Performance

These are summarized responses on whether Effective Needs Assessment Influence Procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. The descriptive results are presented in table 2.

Table 2: Descriptive statistics; Effective Needs Assessment

Statement	5	4	3	2	1	Mean	Std Dev
1.Needs Assessment practice is considered first priority in the procurement process plans	13(18.2)	36(46.7)	9(11.7)	11(14.3)	7(9.1)	3.51	0.931
2.Procedures on Needs Assessment processes are often reviewed	12(16.8)	32(41.6)	12(15.6)	9(11.7)	11(14.3)	3.36	0.934
3.Consultations are always done before decisions on needs assessment are made	11(14.3)	39(50.6)	7(9.1)	10(13.0)	10(13.0)	3.49	0.923
4.Resources are shared according to needs assessment programmes	12(15.5)	37(48.1)	11(14.3)	8(10.4)	9(11.7)	3.45	0.912
5.Needs Assessment practices are normally executed by professionals	16(19.5)	31(40.2)	9(11.7)	10(13.0)	12(15.6)	3.39	0.929
6.ISO standards are followed on needs assessment managerial processes	12(18.2)	36(46.8)	10(13.0)	9(11.7)	8(10.3)	3.55	0.942
Valid list wise=51							
Grand mean =3.46							

From table 2, most respondents agreed (46.7%) and strongly agreed (18.2%) that Effective Needs Assessment practices are considered first priority in the procurement processes, while 41.6% of respondents agreed that Effective Needs Assessment Procedures are often reviewed. Implying respondents value the importance of Effective Needs Assessment practices to the Hospital functions.

More so, 50.6% of respondents agreed consultations are made before effective needs assessment is done, while 48.1% of respondents also agreed that adoption of an effective Needs Assessment practices implies consideration of procurement functions at earlier stages; hence meaning the introduction of Effective Needs Assessment practice is of value to the procurement department of Aga Khan Hospital. Further, 40.2% of respondents agreed and strongly agreed (19.5%) that Effective Needs Assessment Practices are executed by Professionals. Lastly, most respondents agreed (46.8%) and strongly agreed (18.2%) (supported by the grand mean = 3.46= 4 = agree) that generally, ISO standards are followed when the effective needs assessment processes are functionally being handled.

According to Aladejebi and Adedeji (2015) Needs Assessment is a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants; hence it is an important process in procurement because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects.

Oballah, Waiganjo and Wachira (2015) contemplated the beginning of the procurement process is need realization and identification of the requirements. This is informed by the inventory status, projects plan, production schedules, work plans, capital or operational requirements budgets and the procurement plan. Ouma and Jennifer (2014) noted establishment of the requirements is the foundation for conducting market survey to ascertain aspects such as prices, new products or alternative or substitute products, new sources of supply, nature of competition and environmental aspects that may affect the supply market.

Inferential statistics

Correlation Analysis

The correlation analysis presented in Table 3 focuses on the relationship between Effective Needs Assessment Practices and procurement performance. The findings reveal significant correlations exists.

Table 3: Correlation Analysis

		Effective Needs Assessment	Performance
Effective Needs Assessment	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	51	
Performance	Pearson Correlation	.561	1
	Sig. (2-tailed)	.000	
	N	51	51

Findings showed that there is a strong positive correlation between performance and Effective Needs Assessment practices, with a Pearson correlation coefficient of 0.561 ($p < 0.01$). This suggests that higher levels of Effective Needs Assessment practices are associated with improved performance.

Linear influence of Effective Needs Assessment Practices on Procurement performance

This tested the direct influence of Effective Needs Assessment on Procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. The results are shown table 4.

Analysis of linear regression;

Table 4: Direct influence of Effective Needs Assessment on Procurement performance

Model Summary

					Change Statistics			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.753[a]	.568	.562	.80708	.568	98.422	1	51	.000

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	64.110	1	64.110	98.422	.000[a]
	Residual	48.854	51	.651		
	Total	112.964	51			

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.921	.269		3.422	.001
	Effective Needs Assessment Practice	.801	.081	.753	9.921	.000

a. Dependent Variable: Procurement Performance

The Strategic Journal of Business & Change Management. ISSN 2312-9492 (Online) 2414-8970 (Print). ww.strategicjournals.com

From table 4, the model summary shows that R^2 = 0.568; implying that 56.8% variations in the Procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya is explained by Effective Needs Assessment while other factors not in the study model accounts for 43.2% of variation in Procurement Performance. Further, coefficient analysis shows that Procurement Planning has positive significant influence on procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya (β = 0.801 (0.081); *at p<.01*). This implies that a single improvement in Effective Needs Assessment leads to 0.801 unit increase in the procurement performance.

(ii) $y = 0.921 + \mathbf{0.801X_2}$
Where;
y = Procurement Performance.
X_2 = Effective Needs Assessment Practices

CONCLUSIONS AND RECOMMENDATIONS

H_{02}: Effective Needs Assessment practices does not significantly influence procurement performance Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya; This tested the influence of Effective Needs Assessment practices on procurement performance in Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya. The study found Effective Needs Assessment affects Procurement Performance. The study results support earlier researches that found that an improvement in Effective Needs Assessment practice influences procurement performance.

Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya being an institution for power generation purposes the company deals with items that are sensitive; hence Effective needs Assessment is relevant, on consideration that the findings reflect an effect of relationship among the variables and thus leads to improvement on procurement performance.

The study recommends and embraces the Sosion Geothermal Energy Company Limited, County Government of Nakuru; Kenya management to apply standard procurement practices; for example, the Effective Needs Assessment practices for performance improvement.

Areas for further studies

Similar study can be done on any organizations that have the procurement functions using different methods, however, similar variables

REFERENCES

Aladejebi, O. A., & Adedeji, A. O. (2015). Effect of procurement planning on the performance of selected agricultural firms in Ondo State, Nigeria

Apiyo, R. O., & Mburu, D. K. (2014). Factors affecting procurement planning in county governments in Kenya: A case study of Nairobi City County'. *International Journal of Economics, Commerce and Management*, 2(11)

Barsemoi, H., Mwangagi, O., & Asienyo, B. O. (2014). Factors influencing procurement performance in private sector in Kenya. *International Journal of Innovation & Applied Studies,* 9(2), 632-641.

Basheka, B. C. & Bisangabasaija, E. (2010). Determinants of unethical public procurement inlocal government systems of Uganda: a case study. *International Journal of Procurement and Human Resource Management,* 3(1), 91-104.

Basheka, B. C. (2008). Procurement Planning and Accountability of Local Government Procurement Systems in Developing Countries: Evidence from Uganda. *Journal of Public Procurement,* 8 (3), 379-406.

Bruno, G., Esposito, E., Genovese, A., & Passaro, R., (2012). AHP-based approaches for supplier evaluation: Problems and perspectives. *Journal of Purchasing and Supply Management*, *18*(3), 159-172.

Eroglu, C. & Hofer. C., (2011) Lean, Leaner, Too Lean? The Inventory-Performance Link Revisited, Journal of Operations Management 29, 356–369.

Eroglu, C., Brent, W., & Waller, M. (2011). Consumer driven retail operations, The moderating effect of consumer demand and case pack quantity. *International Journal of Physical distribution and logistics management*, 41 (5), 420-434

Elsey.R.D. (2010). Contract Management Guide, CIPS, Pearson Education. Institute for Social Accountability. Memorandum of Views Presented To The Public Procurement Oversight Authority: Nairobi, Kenya 24th June, 2010

Fekpe, E. S., Bray, A. V., Fekpe, E., Fekpe, E. S., & Bray, A. V. (2015). Effects of supply chain integration on lead time in the retail industry in Ghana. on Business and Finance

Frazelle, E. H. (2012). Supply Chain Strategy: The Logistics of Supply Chain Management. New York: McGrawHill.

Handfield, R. B., Cousins, P. D., Lawson, B., & Petersen, K. J. (2015). How can supply management really improve performance? A knowledge-based model of alignment capabilities. *Journal of Supply Chain Management*, *51*(3), 3-17.

Hui, Z., He-Cheng, W., & Min-Fei, Z. (2015). Partnership management, supply chain collaboration, and firm innovation performance: an empirical examination, *International Journal of Innovation Science,* 7, 127-138

Kabaj, O. (2003). The Challenge of African Development, Oxford University Press: New York.

Kiruja, B. (2014). Procurement methods and procurement performance amongst state corporations under the National Treasury of Kenya, University Of Nairobi, MBA Project.

Li, W., Humphreys, P. K., Yeung, A. C., & Cheng, T. C. E. (2012). The impact of supplier development on buyer competitive advantage: A path analytic model. *International Journal of Production Economics*, *135*(1), 353-366.

Liu, Y., Huang, Y., Luo, Y., & Zhao, Y. (2012). How does justice matter in achieving buyer– supplier relationship performance? *Journal of Operations Management*, *30*(5), 355-367.

Mamiro, R. G. (2010). Value for Money, The Limping Pillar in Public Procurement. Tanzania Procurement

Masanja , N.(2018).Influence of procurement practices on performance of construction projects in Tanzania, A case of National Housing Corporation. *Saudi Journal of Humanities and social Science,* 3(9),1121-1127

Masindano, L., Makokha, E. N., & Namusonge, G. (2018). Factors affecting public procurement performance in Trans Nzoia County Government. *European Journal of Business and Management* 10(9), 70-74.

Migai, J. (2010). *Development Partners and Governing Non-Governmental Organizations Procurement in Kenya.* Nairobi: Macmillan Publishers.

Monczka, R., Trent, R. & Handfield, R. (2002). Purchasing and supply chain management 2nd ed. Stamford, CT: South-Western

Ouma. D., & Jennifer M. K., (2014), Resource allocation planning: Impact on public Sector Procurement Performance in Kenya; *International Journal of Business and Social Science* 5 (7) 1

Onyango, C. J. (2014). Effects of procurement planning on institutional performance: A case study of Mombasa Law Court. *International Journal of Science and Research*, 3(11), 446-455.

Peter, H. A., (2012). The Dynamics of Procurement Management, A Complexity Approach.1 st Edition.

Rotich, L. M. (2011). Influence of Planning on Procurement Performance in the Kenya Public Financial Sector.

Ristovska, N., Kozuharov, S., & Petkovski, V. (2017). The Impact of Logistics Management Practices on Company's Performance. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 7(1) 245-252.

Sungbae K., Taesoo M. (2015) Influence of Information Exchange and Supply Chain Integration on Supply Chain Performance. *Advanced Science and Technology Letters Vol.114 (Business 2015), 123-129*

Sollish, F., & Semanik, J., (2012), The procurement and supply mangers' desk reference (2nd Edition.) USA, New Jersey: Wiley & Son

Shen, L., Olfat, L., Govindan, K., Khodaverdi, R., & Diabat, A. (2013). A fuzzy multi criteria approach for evaluating green supplier's performance in green supply chain with linguistic preferences; *Resources, Conservation and Recycling*, *74*, 170-179

Simpson, P. M., Siguaw, J. A. & White, S. C. (2012). Measuring the performance of suppliers; An analysis of evaluation processes. *Journal of Supply Management*, 38(4), 29-41

Treville, S., Shapiro, R.D. & Hameri, A., (2014). From supply chain to demand chain: The role of lead time reduction in improving demand chain performance', *Journal of Operations Management* 21(6), 613–627

Walter N.M, Christopher M, & O. Kepha (2015), Effects of Procurement Practices on the Performance of Commercial State owned.

Weele.V. A. J., (2015) Purchasing & Supply Chain Management: *Analysis, Strategy, Planning and Practice.* 4th edition, London, Thomson Learning, 36