



**CHALLENGES FACING PROCUREMENT PERFORMANCE WITHIN PARASTATALS IN KENYA. A CASE OF NATIONAL CONSTRUCTION AUTHORITY**

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**ABSTRACT**

*The directive by the Government to adhere to public procurement is aimed at increasing effectiveness and efficiency and thus enhance competitiveness. The adherence to procurement procedure would ensure the public organization gets the value for money through quality services, goods and works but this has not been effective in other sectors as expected. The main aim of the study is to assess challenges facing implementation of the public procurement in National Construction Agency in Kenya where the main variables include strategic planning and procurement procedures. Through a descriptive research design, the study targeted procurement officers and general managers working with NCA within Nairobi. Stratified random sampling technique was used to select a sample of 20% which makes a sample size of 86 respondents. Quantitative data collected was analyzed using descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The findings suggested that NCA Company was clearly aware of the Procurement Performance of the procurement practices that influences its Procurement Performance. Although most of the Strategic Planning practices had been implemented for a long period, there were however particular procurement features of implementation that were difficult to be achieved by NCA.*

**Key Words:** Strategic Planning, Enforcement Budget, Organizational Culture, Procurement Performance

## INTRODUCTION

Procurement is an important part of efficient management and supply of input and is critical for all levels of any institution. An effective procurement process ensures the availability of the right material in the right quantities, available at the right time, for the right purpose and at reasonable prices, and at recognizable standards of quality (WHO 2007). The regulations are reinforcing professionalism by providing comprehensive performance standards, continuous monitoring and evaluation through regulatory reports.

Reports, shows that organizations has greatly invested in systems, product development and service to members to remain competitive. In improving public procurement in Kenya as well as reform initiatives have centered on making the acquisition process more efficient, essentially by blocking legal and procedural loopholes believed to be avenues for waste and corruption in the system. Consequently, much effort has been devoted in bringing together existing procurement regulations, including directives, into a single document the Public Procurement and Disposal of Assets Act, 2005 and to making this document clearly understood, easily accessible by and properly enforceable. The procurement function has not been given the recognition it deserves in developing countries, in most public entities, regardless of the effort by the partners like the World Bank, the International Trade Organization, the United Nations Conference on Trade and Development, the World Trade Organization and, others. This could be deliberate or sheer ignorance on the value the procurement function could contribute to any organization. The importance of public organizations as an entity designed to serve the public, along with the imperative for public accountability, makes studying the problems associated with the public sector essential (Trionfetti, 2000).

The need to have coherent methods of performance of the procurement function in public entities, particularly in developing countries, has never been as sound as it is now. Delaying will worsen the already deteriorating performance, loss of professionals, and organizations will continue incurring unnecessary costs. In most developing countries, the procurement function is transitioning from a clerical non-strategic unit to an effective socio-economic unit that is able to influence decisions and add value (Knight, Harland, Telgen, Thai, Callender, & Mcken, 2007).

One of the basic rules of procurement is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004).

The public sector accounts for a significant part of economic activity in OECD member countries (Block and Lopez-Bassols, 2010). The average share of government expenditures in gross domestic product (GDP) is above 40 percent, varying from over 50 percent in Sweden and France to about 35 percent in Japan and the United States to around 20 percent in Mexico (OECD, 2009). Definitions of the appropriate role of the public sector also vary extensively but they include some form of providing public goods and services and responding to citizens' and taxpayers' needs. This includes general public administration, the provision of national security and safety, some forms of education and basic research, health and social care, and other functions. While, as implied above, the share of these services provided by the public sector varies extensively between countries, the socio-economic importance of the public sector is undoubtedly

quite significant everywhere. The performance of the public sector and its efficiency in providing public services has been a major concern in democratic societies since ancient times. The primary source of this traditional concern is the relative size of the public sector and the fact that it administers taxpayer funds. Pressures on the public sector for increased efficiency and productivity of resource use have mounted in recent years, however, due to rising costs, increasing awareness and demands from citizens and business, demographic changes, environmental degradation, and globalization pressures. Put simply, taxpayers expect “a higher bang for the buck”: the public sector must achieve more with less.

This naturally calls for innovation, both process and product/service innovation. As far as the public sector is concerned, process innovation means providing more (perhaps marginally improved) services at the same (or even lower) cost. Product innovation means providing new or significantly improved services and impacting through public expenditures for acquisition the ability of the rest of the economy to produce new and significantly improved products and services or to produce them more efficiently. This study focuses on the latter type of innovation in one country (United States). More specifically, the study focuses on US public sector practices that procure innovation. It addresses practices that induce innovation either (a) by specifying levels of performance or functionality that are not achievable with off-the-shelf solutions or (b) by supporting research and development (R&D) for goods and services to be procured afterwards, thus sharing the risks of the R&D needed to develop innovative solutions..

In the past decades, the public procurement system in Kenya has undergone significant developments. From being a system with no regulations in the 1960s, and a system regulated by Treasury Circulars in the 1970s; In attempt to address the scourge of

corruption in Public procurement, the government developed and issued procurement supplies guide of 1978 which achieved little in terms of stemming the rampant abuses in public procurement with the problem of corruption still raging in 1980s and 1990s. Then the government developed and issued the Exchequer and Public Audit Regulations in 2001 but the regulation were still not sufficient to stop corruption. (GOK, 2001). After many consultations between the Government, Developing Partners and Private sector the public procurement and disposal Act (herein referred PPDA) of 2005 was enacted by parliament (WB. 2000) and then the Procurement Regulations of 2006 were introduced. In line with the country s public procurement reform agenda. Kenya in 2006 committed itself to become one of the 22 countries participating in the pilot testing a new Methodology for Assessment of National Procurement Systems (PPO.A2007) The Act applies with respect to procurement or disposal of stores by the following; the Government or any department of the Government; the courts; the commissions established under the Constitution; a local authority under the Local Government Act; a state corporation within the meaning of the State Corporations Act; the Central Bank of Kenya established under the Central Bank of Kenya Act; a co-operative society established under the Co-operative Societies Act; a public school within the meaning of the Education Act; a public university within the meaning of the Universities Act; a college or other educational institution maintained or assisted out of public funds; or an entity prescribed as a public entity for the purpose of this paragraph: (Public Procurement and Disposal Act 2005)

#### **National Construction Authority**

The National Construction Authority Act (NCA) was gazetted in December 2011 and the NCA Board inaugurated in July 2012. It was formed with the main aim of consolidating and creating a well regulated construction industry that will promote

sustainable socio-economic development. The creation of the Authority could not have come at a better time in the country especially now that all sectors are geared towards Vision 2030. In order to achieve the goals and aims of Vision 2030, the construction industry is under pressure to restore some sense of order in the currently “free-for-all” sector.

Huge challenges abound in the Kenyan construction sector ranging from oligopolistic and monopolistic tendencies to unfair competition and substandard work especially amongst the small and medium-sized contractors. These, coupled with complications and irregularities in the procurement value chain, could eventually lead to stunted growth of the industry. As such, there was a need to tame the industry as well as shape it in the face of new and emerging challenges such as liberalization and increased foreign competition. The NCA is independent and, being a recognized legal entity, will have the capacity to sue as well as be sued as it takes on its responsibilities.

In its prefecture role, the Authority has developed a Code of Conduct for the industry –a welcome relief in the face of the haphazard methodologies around. In light of the recent events relating to poor building practices and supervision, the Board will reign in on errant contractors and developers.

Under this role, the Board also regularizes the practice of foreign contractors and will not only set ownership structure but also limit their works to only tendered works. This means that a contractor without an ongoing contract cannot set up shop and was required to wind up their contractual role has ended. It is noteworthy that the Board has an elaborate *registration procedure* which is and must be transparent. It also allows inquiries into de-registered names of contractors and an appeals board for those who feel that they have been dealt with unfairly. Contractors found on the offensive, will either be suspended or de-registered alongside other sanctions such as heavy fines.

### **Statement of the problem**

The Procurement permits the entire spectrum of the development process of a country. It is therefore, no wonder that governments all over the world are major purchasers of goods and service (KACC, 2007). The items involved in public procurement range from simple goods or services such as clips or cleaning services to large commercial projects, such as the development of infrastructure, including road, power stations and airports. Public procurement is different from private procurement, because in public procurement the economic results must be measured against more complex and long term criteria. Furthermore, public procurement must be transacted with other considerations in mind, besides the economy. These considerations include accountability, non-discrimination among potential suppliers and respect for international obligations. For these reasons, public procurement is subjected in all countries to enacted regulations, in order to protect the public interests. It is worth noting that unlike private procurement, public procurement is a business process within a political system and has therefore significant consideration of integrity, accountability, national interest and effectiveness (Wittig, 1998). This implies that public procurement entails the applications of colossal amounts of tax payer’s money running into billions of any designated currency. It also means if procurement process is riddled with corruption, results in diversion of colossal amount of tax payers’ money to unscrupulous people. This in turn reverses the development process with the attendant consequences of poverty, insecurity, poor infrastructure inadequate or total lack of health services among others. Sadly, these forces and the scenario have characterized the procurement process in Kenya over the years (Waiganjo 2006). Over 80% of real, perceived and alleged corruption in Kenya is procurement related for instance in 2005, Transparency International had estimated



that Kenya had lost some Kshs.475 billion to Shady procurement deals in the seven years before then(Transparency international 20005); GOK dismissed 500 supplyofficers in 2003 accusing them of mismanaging the system (IPAR, 2006. Olow-a D 2002).

In view of the above, the study, therefore, intended to establish the challenges facing effective implementation of Public procurement act in Kenya.

### **Objectives of the study**

The main objective of the study was to investigate challenges facing Procurement performance in Parastatals in Kenya. The specific objectives were:

- To establish how Strategic planning affects facing Procurement performance in Parastatals in Kenya.
- To establish how procurement procedures affect facing Procurement performance in Parastatals in Kenya.

### **LITERATURE REVIEW**

#### **Force Field Theory**

Force Field Analysis relies on the principle that an organization is not static, but dynamic, and that its current position is a result of the balance between opposing forces. Force field analysis is a management technique developed by Kurt Lewin, a pioneer in the field of social sciences, for diagnosing situations. It is useful when looking at the variables involved in planning and implementing a change programme and of use in team building projects, when attempting to overcome resistance to change.

Change can be either driven or restrained by forces, ie persons, habits, customs, attitudes. In a planning session, this can be visualised by a Force Field Diagram. Using three columns, list planned change in the middle column, the driving forces in

the left one, the opposing forces in the right one. Check whether the forces listed are appropriate and whether they can they be changed. Decide which ones are critical, and allocate a score to each (from 1 being extremely weak to 10 being extremely strong). Decide as well whether any of the forces are actually amenable to change. Now, progress can occur if an opposing force can be reduced, and/or if a driving force can be strengthened. A force field analysis, if well carried out, will reveal opponents and allies, and suggest possible corrective action It is inevitable that a number of possible programmes will not be implemented – trying to do everything is no strategy. To decide which programmes to keep, a number of methods for option appraisal and decision-making exist, described in the health economics module; Cost benefit analysis cost effectiveness, Cost utility analysis, Other assessments are risk analysis, and formal project appraisal.

Once strategies are agreed and the scope and level of activities decided, it wascome apparent what kind of support was needed. Funding and staffing levels, financial and administrative management.

#### **Weber's theory of bureaucratic management**

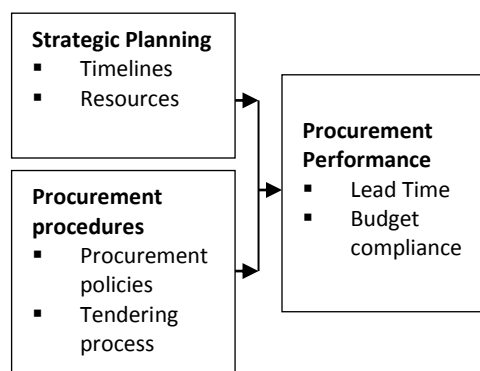
This theory has two essential elements. First, it entails structuring an organization into a hierarchy. Secondly, the organization and its members are governed by clearly defined rational-legal decision-making rules. Weber identified in bureaucracies a rational-legal authority in which legitimacy is seen as coming from a legal order. Weber's ideal bureaucracy is characterized by hierarchical organization, delineated lines of authority with fixed areas of activity, action taken on the basis of, and recorded in, written rules, bureaucratic officials with expert training, rules implemented by neutral officials, and career advancement depending on technical qualifications judged by organization, not individuals.

The majority of modern bureaucratic officials and political leaders represent this type of authority. However, while recognizing bureaucracy as the most efficient form of organization, and perhaps indispensable for the modern state, Weber also saw it as a threat to individual freedoms. For Weber, the implementation of bureaucracies in government was a kind of rationalization, in which traditional motivators for behavior were cast aside. Instead of utilizing traditions, emotions, or values to motivate behavior, in a bureaucracy, people used rational calculation.

Regarding Western societies, Weber called this increasing rationalization an "iron cage" that trapped individuals in systems based solely on efficiency, rational calculation, and control. In his theory, the "iron cage" is the one set of rules and laws that we are all subjected to. According to Weber, the shift from old forms of mobility, like kinship, to new forms, like strict, legal rules, was a direct result of the growth of bureaucracy and capitalism.

This theory supports procurement procedures as a variable.

### Conceptual Framework



**Independent Variables    Dependent Variable**

**Figure 1: Conceptual Framework.**

### Strategic Planning

The strategic plan is a key performance management tool; a corporate vision provides the general direction for the entire organization (Coopey and Burgoyne 2011). Since the global financial crisis, the change imperative has come to the fore for many organizations and has been the focus of many boardroom, senior management, and strategists' meetings and discussions key to setting the strategic plan. No industry sector, public sector organization, or government department has escaped the change. Strategic changes entail transformation in the form, quality, or state overtime in an organization's alignment with its vision and hence suit its external environment (Bartley, 2011). According to Agaba& Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time.

This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process. Economic commission of Africa (2003) defines procurement planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps was the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery. Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then it will

have less control over the precise outcomes to be delivered.

### **Procurement Procedures**

The understanding of dynamics of procurement management has been predominantly seen through experience as dissatisfying where the procurement unit was viewed from other entities in the organization as an insignificant, reactive and an administrative part of the business. The potential, however, for the procurement organization to be significant in the company was argued to be vast (Ammer 2012, Ellram& Car 2012, Van Weele 2005). In order to change the situation of the procurement organization, procurement management was informed that they should in gradual steps develop the procurement organization towards more sophisticated and significance (Reck& Long 2008) producing strategies that were aligned with overall company strategy including the development of policies, procedures, systems, tools and processes( cousins 2002, cousins *et al* 2008). This process changed the perspective of the procurement organization which among other things, allowed the procurement entity to contribute to implementation of supply chain management (freeman & Cavinato 1990).

Gesuka and Namusonge (2013) conducted a study on the factors affecting compliance of PP in Kenya with 70 respondents that were purposively selected from the Butere district commissioner's office, procurement committees, procurement unit, user departments and suppliers. Primary and secondary data was collected through the administration of a structured questionnaire, interviews and records analysis respectively. The findings indicated some level of compliance to the legal requirements, but also revealed weak familiarity of procurement rules of all the stakeholders. Eyaa and Oluka (2011) also conducted a cross sectional study on the causes of non- compliance in public procurement in Uganda

that targeted was 120 Central Government Procuring and Disposing Entities (PDEs).The authors' model indicates a 52.4% variation in compliance with the regulations.

Kenya through the Public Procurement and Disposal Acts 2005, created the Public Procurement Oversight Authority (PPOA), the Public Procurement Advisory Board (PPAB) and the continuance of the Public Procurement Complaints, Review and Appeal Board as the Public Procurement Administration Review Board (PPARB). The PPOA is mandated with the responsibility of ensuring that procurement procedures established under the Act are complied with, monitoring the procurement system and reporting on its overall functioning, initiating Public Procurement Policy and assisting in the implementation and Operation of the public procurement system.

### **Procurement Performance**

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004). Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources



carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

## **Empirical Review**

### **Strategic Planning**

Obiero (2008) in his study notes that The most important step towards overcoming obstacles to fundamental reforms of the public procurement system is an analysis of where the problems with the system lie, what solutions would be needed to solve the identified problems and the obstacles that would be faced in trying to achieve those solutions. Once the assessment indicates that significant problems with the procurement system are of a systemic nature, it is crucial to formulate strategies aimed at diffusing obstacles to the far-reaching reforms that are needed. The strategy must include a realistic analysis of such obstacles to reform and the means of managing them.

As pointed out by Wimer and Webb (1998) during the past two decades, the public procurement of many states have been subjected to a number of pressures. Demands were made on the public administration to make savings in public expenditure, obtain greater efficiency and effectiveness and to improve the quality of public

supplies. One way in which public sector could respond to these demands was to undertake public management reform. Efforts to “modernize”, “streamline” or “reform” the public sector soon became widely popular. Undertaking public management reform, it was expected, would also lead to greater accountability to the legislature and society, greater political control over the bureaucracy, and greater freedom for public managers to manage (Wimer & Webb, 1998).

However, even where there is a lack of high level political support, it should be possible to explore ways in which different aspects of reforms can be entertained. Thus, rather than abandon reform efforts because it is not possible to achieve dramatic results, the strategy may involve introducing intermediate mechanisms that can be introduced in the interim and specifically at dealing with one or two of the more serious problems

### **Procurement Procedures**

Thai (2001) classifies the challenges as to either external or internal challenges. The external factors includes rapid developments in technology (which have led to new procurement methods), public procurement cannot be perceived as mere a ‘clerical routine,’ as procurement practitioners are and should be involved in strategic procurement planning (Office of Management and Budget. 1997; Hinson & McCue, 2004); In addition to technology is social and economic environment, public procurement practitioners are under other external pressures such as an environment protection movement, and foreign policy commitments such as environmental Protection Concern or Green Procurement.

Environment protection has been present in every country developed and developing and environmentalists have placed a great deal of pressure on public procurement practitioners (Oanda, C. 2006). As far as internal factors are concerned Arrowsmith and Try'bus (2003, p. 9),

points out “the last decade of the twentieth century had witnessed the start of a ‘global revolution’ in the regulation of public procurement.” Actually, challenges in procurement reforms are beyond procurement regulations to include procurement process, methods, procurement organizational structure, and workforce. Procurement reforms occur constantly in all countries, developed as well as developing countries.

### **RESEARCH METHODOLOGY**

The study embraced descriptive research design in order to provide a framework to examine current conditions, trends and status of events. NCA has a total of 12 offices in Kenya. However, the target population was all the procurement management staff (total=80) in the procurement department of NCA. A questionnaire was designed to collect information from procurement management staff which contained open ended and closed ended questionnaires. This provided a basis to identify the critical success factors affecting implementation of public procurement and disposal act. A census was applied since the population is small.

Data collection instruments involved methods which was used to collect data from the selected respondents. This research study used self-structured questionnaires to collect primary data from respondents. Open and closed ended questions were included in the questionnaires so that each respondent was capable of receiving the same set of questions in exactly the same way. Questionnaires were developed with set of semi structured questions for pilot testing to check the reliability and validity of instrument of data collection.

Data was analysed using both descriptive and inferential statistics. This is because descriptive statistics helps to describe the data collected and aim to summarize a sample while inferential

statistics are used to interpret the meaning of descriptive statistics besides making propositions about populations and so helps in drawing conclusions. The filled in questionnaires were collected, cleaned, coded and fed in the computer for analysis by SPSS V22 for both descriptive and inferential statistics.

Both qualitative and quantitative data was analyzed. Qualitative data was analyzed by reading the questionnaire. Descriptive statistics (frequencies and percentages) was computed for all the four objectives. Quantitative data was computed for inferential statistics with a 5% (0.05) test significance level. The resulting P. values and coefficients was used to compare the variables, where two sets of the variable was compared to see the extent to which they are related and if they can be used to predict each other.

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

This study sought to establish the level of academic qualifications that the respondents have attained. Majority of the respondents 25.6% had attained postgraduate and diploma level, 23.1% had attained certificate and 12.8% had attained degree and others. From the results, 87.2 % respondents were deemed to be competent enough to answer to the researcher’s questions. On the length of continuous service, majority of the respondents (53.8%) had been working in the National Construction Authority for a period between 11 and above, 30.8 % had been in the National Construction Authority between 5 and 10 years and 15.4% had been in the Company for less than 5 years.

#### **Procurement Planning**

The study sought to get from the respondents on the challenges facing procurement performance in National Construction Authority. The range was ‘not at all’ (1) to ‘strongly agree’ (5). The scores of disagreeing had been taken to represent a variable

which had a mean score of 0 to 2.5 on the continuous Likertscale; ( $0 \leq S.D < 2.4$ ). The scores of 'Neutral' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale: ( $2.5 \leq M.E < 3.4$ ) and the score of both agree and strongly agree have been taken to

represent a variable which had a mean score of 3.5 to 5.0 on a continuous Likert scale; ( $3.5 \leq S.A. < 5.0$ ). A standard deviation of  $> 0.9$  implies a significant difference on the impact of the variable among respondents.

**Table 1: Procurement Planning**

Indicators	Mean	Std. Deviation
Improves performance	4.231	.777
Reduces costs	4.205	.801
Resources are utilized	3.897	.754
Reduces Conflict of interest	3.818	.656
Meeting performance indicators	3.872	.767
Meeting organizations objectives	3.821	.796
Uniform procurement systems	3.746	.880
Increases number of projects completed on time	3.744	.966
Increases number of orders	3.667	.898
Reduces number of complaints	3.615	.935

From the result above, it showed that Strategic Planning improves performance by a mean of 4.231, costs reduction with a mean of 4.205 and resources utilization with a mean of 3.897. On other hand the respondent support on conflict of interest reduction and meeting performance indicators with a mean of 3.872 while the meeting organizations objectives by a mean of 3.821. Further respondent on uniform procurement systems and increase number of

projects completed on time were supported by a mean of 3.744, increases number of orders by a mean of 3.6667 and finally reduction on number of complaints by a mean of 3.615.

**Procurement procedures**

The study sought to get from the respondents on the effect of Procurement procedures on effective implementation of Projects in National Construction Authority.

**Table 2: Procurement procedures**

Indicators	Mean	Std. Deviation
Reduces costs	4.103	.718
Reduces Conflict of interest	4.077	.839

Improves performance	4.077	.774
Meeting organizations objectives	3.923	.739
Meeting performance indicators	3.872	.615
Uniform procurement systems	3.718	.857
Resources are utilized	3.692	.950
Increases number of projects completed on time	3.564	.754
Increases number of orders	3.513	.885
Reduces number of complaints	3.488	.942

From the table 2 above, reduction of costs in Procurement procedures is highly supported by a mean score of 4.1026 while reduction in conflict of interest and improvement of performance is seconded by a mean of 4.0769. However, effective selection of suppliers was found to moderately reduce the number of complains with a mean of 3.4872. Therefore, the Procurement procedures

**Table 3: Procurement Performance**

Indicators	Mean	Std. Deviation
Competitive advantage of the company is enhanced	3.744	.849
Organization gets value for money on projects implemented	3.641	1.088
Reduced number of complaints are received from customers	3.615	.847
Corporate Social Responsibility are part of the projects	3.539	.854
Key stakeholders are involved during Procurement Performance	3.539	.756
Environmental factors are considered	3.539	.962
NCA considers green procurement in Procurement Performance	3.487	.757
Quality projects are achieved at the long run	3.487	.855
Organization has clear policies on projects	3.462	.854
Projects are completed on time	3.434	.912

practice generally improves the operational efficiency of the firm through reduction of employee conflict of interest with the suppliers.

#### **Procurement Performance**

The study sought to get from the respondents on the Procurement Performance process at Ken Gen and the results are presented below.

The findings indicated that most respondents acknowledged that the firm's level of competitive advantage of the company had improved as a result of Procurement Performance with a mean of 3.744, NCA getting value for money on projects implemented by a mean of 3.641 and mean score of 3.615 on reduction number of complaints received from customers. The study further revealed that corporate social responsibility were part of the projects, stakeholders involved during Procurement Performance and environmental factors consideration had mean score of 3.539. However, the Ken Gen Company considers to a moderate extent green procurement as Procurement Performance and quality projects are achieved at the long run by a mean of 3.4872. The organization had clear policies on projects by a mean of 3.4615 and mean of 3.4359 on project completion on time.

## **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **Summary of the findings**

The findings suggested that NCA Company was clearly aware of the Procurement Performance of the procurement practices that influences its Procurement Performance. Although most of the Strategic Planning practices had been implemented for a long period, there were however particular procurement features of implementation that were difficult to be achieved by NCA. The study established that Strategic Planning improves performance of the organization like NCA. Lysons and Farrington (2010) argued that resource allocation as an aspect of planning in the process of the Procurement Performance strategy formulation which clearly revealed that Ken Gen uses Strategic Planning which assist in the costs reduction and proper resources utilization

On other hand, the conflict of interest was an influence of planning in procurement sector which eventually requires solution in time. The study further revealed that uniform procurement systems were at a great extent which resulted to increase number of orders, number of completed projects on time and reduces number of complaints.

The study found that Procurement procedures at NCA reduces the costs expenditures on projects. For an organization to obtain reliability and quality from suppliers, it had to decide how much it was willing to pay for the supplies. The Procurement procedure also reduces conflict of interest between the suppliers and management of the organization. The study shows that Procurement procedures had influence on the improvement of performance in productivity and enables in meeting objectives which emphasize that selection of the best supplier was an essential strategic issue imperative for supply chain effectiveness and efficiency. The study also showed that well utilization of organization resources and improvement in projects implementations.

### **Conclusion**

From the finding, the study concludes that Procurement Performance was affected by procurement planning, and Procurement procedures. From the findings, it was established that NCA had adopted some procurement practices in the Procurement Performance which involve performance targets, planning and control systems, Enforcement that generates good result.

The study found out that NCA Company was facing challenges in procurement practices which lead to not achieving its objectives. On other hand, the organization was faced by conflict of interest and corruption was an influence of planning, Procurement procedures in the implementation of the project. The study concluded that the money



valuation in the procurement practices mostly had influenced in the Procurement Performance.

### **Recommendations**

The study established that on procurement practices affect during the implementation of project, therefore they need to be checked in a more appropriate for a successful implementation of the project. The NCA resources need to be more utilized to enables more development and less wastage in the company. The study also recommends the company stakeholders involved during Procurement Performance and reduction of corruption is highly recommended in the organization.

The NCA also need to handle on the issue of conflict of interest from the management and the outsiders when dealing with the Procurement procedures and

Procurement Performance section. However, the Ken Gen Company also need to advances more to the green procurement in Procurement Performance and quality projects are achieved at the long run which is beneficial to the company.

### **Suggestions for Further Research**

The results of this study can be further utilized to suggest several directions for future research. A field study can focus on investigating on procurement practices influencing Procurement Performance in public institutions in Kenya. Finally, more research on this area is needed because this study has investigated a subset of the variables found to be important determinants. Other variables that may provide in procurement practices influencing Procurement Performance in public institutions in Kenya. Further research can examine these possibilities and the extent of their influence.

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