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INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PROCUREMENT PERFORMANCE IN STATE CORPORATIONS IN KENYA: A CASE OF GEOTHERMAL DEVELOPMENT COMPANY LTD (GDC)

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ABSTRACT

The study sought to examine the influence of strategic management on procurement performance in state corporations in Kenya, a case study of Geothermal Development Company as its general objective. The study was conducted through a descriptive survey research design. The study involved 70 GDC staff, and that it was guided by research questions based on the objectives aforementioned. Descriptive statistics were used aided by Statistical Package for Social Scientists (SPSS) to compute percentages of respondents' answers. Inferential statistics using, multiple regression and correlation analysis were applied to aid examining the relationship between the research variables at .05 level of significance. Tables and charts were used to present the analyzed results. It was notable that there exist strong positive relationship between the independent variables and dependent variable as shown by R value (0.881). The coefficient of determination (R^2) was used to measure how far the regression model's ability to explain the variation of the independent variables. The coefficient of determination was between zero and one. The data showed that the high R square was 0.776. It showed that the independent variables in the study were able to explain 77.60% variation in the procurement performance in the organization while the remaining 22.40% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore need to be considered in any effort to boost procurement performance in the state corporations in Kenya Based on the study findings, the study concluded that procurement performance in state corporations in Kenya was affected by strategic planning, strategic leadership, strategic supplier management and strategic training as the major factors that mostly affect implementation of procurement performance in state corporations in Kenya The study contributed to the existing literature in the field of public procurement by elaborating exiting theories, models and empirical studies on procurement performance in state corporations. The current study should therefore be expanded in future in order to determine the other factors hindering procurement performance in state corporations in Kenya.

Key Words: *Strategic Planning, Strategic Leadership, Strategic Supplier Management, Strategic Training, Strategic management*

INTRODUCTION

Procurement performance has become a conventional standard in the contemporary world. Kakwezi and Nyeko (2014), state that procurement performance is associated with effectiveness and efficiency of procurement operations. Most organizations are incorporating strategic management for the good procurement practices in a bid to retain competitive market leadership in the international corporate environment. There are numerous enticements for organizations to engage strategic management in the procurement as a business success strategy. Vagadia (2012) established that organizations are now re-examining their business models and structures and outsourcing is being a tool for business transformation. Hong and Kwon (2012), postulates that in today's dynamic market environment, procurement is positioned as a critical integrative business process and its focus has been extended from short term cost minimization to long term value creation and delivery.

Strategic management has an important role in every organizational setting (Adeyoyin, 2015; Decker & Höppner, 2006). Organizations have developed networked cooperation to develop their activities. Each strategic plan has particular merits that are related to the external environment, internal processes and structures, financial resources and human capabilities. Strategic evaluation is used to judge these merits and the strategic planning process. The evaluation of strategic plans requires a framework and sensible judgments on different strategic objectives weighted against each other. The various strategic objectives should be aligned with each other in a balanced way so that the strategic plan is able to build bridge between the perceived present situation and the desired future position described by the vision (Bush & Coleman, 2010; Johnson & Scholes, 2012).

Through strategic planning, vision, mission and values of an organization are created and this guides the management in establishing strategic goals for a given planning period. This is all done in the light of available resources i.e. an organization's strategic capabilities. Once goals are established, they are communicated and cascaded downwards to an organization's different functions. This may be done using different tools the most popular one being the Balanced Scorecard. With the strategy in action, the organization moves towards a unified direction and this is monitored using performance tools where actual goals attained are compared to target goals (Richard, 2010).

Strategic management is the process of examining both present and future environments, formulating the organizations objectives, implementing and controlling decisions focused on achieving these objectives in the present and future environments. In other works, strategic management is involved in deploying a firm's internal strengths and weakness to take advantage of its external opportunities and minimize its external threats/problems (Adeleke, Ogundele &Oyenuga, 2008). Organizational performance remains of great concern today to all organizations including private, public, and profit or not for profit (Mkalama, 2014).

Organizational performance is a recurrent theme of great interest to both scholars and practitioners (Venkatraman &Ramanujam, 1986). Researchers and practitioners alike have attempted to understand why some organizations achieve higher levels of performance than others (Ogollah et al., 2011).Recent major studies of strategic management carried out in Nigeria by Oyedijo & Akinlabi (2004 & 2008); Nmadu, (2007) and Akingbade (2007) have found support for the strategic management and procurement perfomance. For instance there studies revealed that a corporate performance tends to increase with a unit increase in the level of practice of strategic management. The higher the overall level of strategic management practice by a the organization, the higher the performance of the organization

Worldwide, public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations. Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 2009). According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that public procurement represents 18.42% of the world GDP. Although several developing countries have taken steps to reform their public procurement systems, the process is still shrouded by secrecy, inefficiency, corruption and undercutting. In all these cases, huge amounts of resources are wasted (Arrowsmith, 2010).

In Africa, the current phase in the development of public procurement has seen the establishment of special public procurement bodies, whose task is to implement the new regulations. These bodies aim not just to bring domestic legislation, but to play a key role in the efficient implementation of the regulations. These bodies have also been given increasing responsibility for monitoring of public procurement procedures. In this phase the regulatory frameworks have been completed by the adoption of all necessary secondary legislation, intensive training programs have been organized and needed manuals and instructions have been published aimed to inform widest range of procuring entities and potential bidders on how to implement the law provisions properly (Nicola,Missikoff & Fabrizio, 2011).

Till early 2000, Kenya like many of her counterparts in the developing world was marred by high inefficiency in spending of taxpayers‟ money, particularly in the area of public procurement. The number of enterprises which had the privilege of doing business with the state was highly limited and there was no true competition among them. The procedure of public procurement was completely non-transparent and unregulated and there was no institutional framework whatsoever (Susan & Hardy, 2005).

State Corporations commonly referred to in Kenya as Parastatal are established within the provision of State Corporations Act chapter 446 of the laws of Kenya, give them autonomy to run and concentrate on specific mandates in order to improve service delivery to the public. Although they have Board of Directors or equivalent governing bodies to oversee the day-to-day operations, they operate within the general supervision of respective Ministries under which they are created. There are approximately 125 state corporations in Kenya today which are divided into eight broad functional categories based on the mandate and core functions; the eight categories are: Financial Corporations, Commercial/ manufacturing Corporations, Regulatory Corporations, Public universities, Training and research Corporations, Service Corporations, Regional development authorities, Tertiary education and Training Corporations. The total number of State Corporations may have changed owing time lapse and creation of new ones.

The guidelines on terms and conditions of service for the state corporations released by office of President in consultation with state Corporation Advisory Committee in November 2004, stresses that state Corporation have no option but to embrace modern business management practices (Government Press, 2004). The guidelines go further to point out that each and every Corporation is expected to have a corporate strategy with clear goals, a set of values, objectives and a mission. State corporations were set up to empower Kenyans economically and Kenyan institutions that were earlier run by the colonialist. They were and still are the platform in which the government is involved in commercial activity. State corporations have proved to be mindful of their most important resource, the human resource. In the Kenyan context, however, state corporations operate on a pre-determined set of guidelines that govern recruitment and remuneration of staff, and even their own overall general operations of running the Parastatal.

State corporations of Kenya are controlled by the government. Though the strategic management concept is fairly new to the government of Kenya with evidence of the first strategic plans being the Economic Recovery Strategy for Wealth and Employment Creation (ERS) of 2003 – 2007, state corporations have adopted strategic practices that have been cascaded down from the central government with each corporation having its own targets from the central government through the respective line ministries. This performance is reviewed by several bodies but more importantly the national assembly, the line ministry, the national treasury and the State Corporations Advisory Committee (SCAC). It can therefore be said that state corporations do not just operate haphazardly rather they have strategies through which performance targets are determined and are continuously measured by parties within and outside the corporations and their performance is further improved by their bundle of resources and capabilities realized through government support. This is as opposed to the private sector where the government has minimum interruptions in markets.

Statement of the Problem

Despite Government efforts to improve the procurement system, it is still marred by shoddy works, poor quality goods and services. Improper implementation of recommended performance standards results in unnecessarily high operation costs, uncoordinated business activities, inability to achieve domestic policy goals, and failure to attract and retain professionals. Suppliers complain about the capability of public sector buyers (KISM, 2011). According to Roodhooft and Abbeele (2016), public bodies have always been big purchasers, dealing with huge budgets. Mahmood (2010) also reiterated that public procurement represents 18.42% of the world GDP. In Kenya, the central government spends about Kshs. 234 billion per year on procurement. However, on annual bases, the government losses close to Ksh. 121 billion about 17 per cent of the national budget due to inflated procurement quotations (KISM 2010). According to Public Procurement Oversight Authority (PPOA 2009), most of the tendered products/services in many public institutions have a mark-up of 60 per cent on the market prices. In the year 2010, the Ministry of Education lost 4.2 billion Kenyan shillings. In the year 2011, a total of Ksh. 33,061,925 is said to have been embezzled from "Kazi Kwa Vijana funds" (Daniel 2010).

The inefficiency and ineptness of overall implementation of procurement practices in many government parastatals contributes to loss of over Ksh.50 million annually (Tom 2009). In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For instance, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010). This is very high when compared with a global average of 12-20 % (Frøystad *et al*., 2010). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency by the implementation of strategic management practices (Hui *et al*., 2011). It is on this premise the study sought to establish the influence of strategic management practices on procurement performance in state corporations in Kenya

Objectives of the Study

The general objective of this study was to examine the influence of strategic management practices on procurement performance in state corporations in Kenya. The specific objectives of the study were to:

- To assess how strategic planning influence procurement performance in state corporations in Kenya
- To find out how strategic leadership influence procurement performance in state corporations in Kenya
- To establish how strategic supplier management influence procurement performance in state corporations in Kenya
- To determine strategic training influence procurement performance in state corporations in Kenya

LITERATURE REVIEW

Theoretical Review

Planning Theory

This theory will guide the study in establishing the relationship between strategic planning and procurement performance in state corporations in Kenya. Hume is generally attributed with drawing attention to the ought distinction: what is does not necessarily lead to what should be (Wenz, 2013). Although what is may place restrictions on what can be, our human capacity to reflect on possibilities and make choices means that what is and what should be are connected by values. This connection exists whether it is recognized or not. Where applications of values are not made explicit, they are implicit in underlying cultural conditioning. The fundamental need for a position and a meaning for our lives and for our species dominates whatever system of thought we espouse. We cannot exist conceptually without such cosmologies, yet many people are unaware of the values upon which they have founded their structure of meaning (Palmer, 2012).

Recognizing this evaluative connection is crucial for planning. Due to its future orientation, planning influences what will/can be. In a just society, it must consequently raise the question of what should be by acknowledging the role of values. What is corresponds to knowledge that is held - what ought to be corresponds to actions prior to their taking place. In consequence, planning relates to the linkage: value. It therefore has a normative aspect. This normative consideration must be integrated into planning on both theoretical and practical levels. In addition, recognizing planning as an "intervening variable" suggests a need to recognize the importance of multiple values. In consequence it is necessary to consider how these values can be determined and how they can be acted upon. In a sense, then, planning is paradoxical: it is concerned with understanding the activity and process itself, and is therefore descriptive. Yet simultaneously, it is concerned, in a pro-active way, with the formation of future states, and is therefore prescriptive (Wachs, 2013).

Contingency Theory

This theory will guide the study in establishing the relationship between strategic leadership and procurement performance in state corporations in Kenya Unlike agency and stewardship theories, the contingency theory is more concerned with organizational structure which entails both the formal and the informal organization of hierarchical and information as well as decision making structures within an organization. The contingency approach to management has its roots in general systems theory and the open systems perspective. This open systems perspective views the complex organization as a set of interdependent parts that, together, constitute a whole which, in turn, is interdependent with the larger environment. The interactive nature of the elements within the organization and between the organization and the environment result in at least two open system characteristics that are central to the contingency approach. The principle of adaptation asserts that the elements within the system adapt to one another to preserve the basic character of the system. In addition, the principle of equifinality holds that a system can reach the same final state from differing initial conditions and by a variety of paths, (Hahn, 2007).

The theory is further based on the works of Lawrence and Lorsch (1967) who observed that uncertain environments require more organic structures with less formalized structures and more decentralized decision making which would eliminate unnecessary bureaucracy thus allowing for easier response to changes in the environment. The theory thus is based on the fact that organizational performance depends on how fast it adapts to the environmental changes in order to remain relevant to its stake holders. The theory holds that the most effective organizational structural design is where the structure fits the contingencies. Fielder (1997) modified the structure to specifically concentrate on the hierarchical relationships in the organization and more precisely the management style such as high control at the top and decentralized systems. The argument of this is that more decentralized systems showed higher innovation, greater employee satisfaction and as a result higher performance as opposed to the high control environment of the stewardship theory

Moreover, Zeithaml (1998) asserts that organizations are problem-facing and problem-solving entities which develop processes for searching, learning and deciding in an attempt to achieve a satisfactory level of performance under norms of bounded rationality. As a result, organizational decision-makers undertake rational decisions designed to cope with the complexity and uncertainty of their situations, all of which result in deliberate decisions known as strategy. The sets of plans and decisions or strategies used by the managers in the process are thus use to determine the effectiveness of the managers. The theory also holds that there are different levels of fit such as technological, human capital quality management and decision making structures each with different performance levels. This then holds that an organization can move from one level of fit to the other gradually by laying out a strategic map which gives guidelines for the gradual change until it gets its optimum level of fit which is the equal performance of all the fit points of the organization. This is the format used by ISO to measure organizational performance and efficiency (Demeester & Grahovac, 2005).

Snow et al (2006) argue that as much as an organization may not attain full fit, it can attain a quasi-fit, that is, a structure that only partially fits the contingencies. The assertion is that this quasi–fit status may still increase performance sufficient to produce some expansion in the contingencies. Thus an organization that is in misfit by being below the fit line can follow a growth path of increasing its organizational size and structure by moving into quasi-fit, rather than full fit. For such an organization in misfit, it may increase its structure sufficiently to move up onto the quasi-fit line. This level of fit produces an increase in the performance of the organization, though less than would be produced if the organization had moved into fill fit. Nevertheless, this quasi-fit produces a sufficient increase in performance that the organization has new surplus resources that allow it to grow. This increment of growth propels the organization forward into a new state of misfit, which again can be resolved by the organization increasing its structural level sufficient to attain move back onto the quasi-fit line.

Gregory et al (2005) however argue that over decentralization leads to parallel objectives thus not meeting the organizational objectives. Crandall and Crandal (2011) agree with this sentiment by asserting that some business environments and situations are better handled using the high control leadership structure. As a result Boyd et al (2012) proposes that contingency is the ability of an organization to allow for appropriate use of high control and decentralization based on the prevailing business environment at the time such that a balanced blend of high control and decentralization can be used to ensure optimum performance.

Hahn (2007) suggests that contingency theory makes it possible to draw from other management theories. This suggestion conceptualizes a scenario where a firm is faced with decreasing profits and for solving the problem, the management is faced with three possible solutions from three different theoretical foundations such as use of time studies derived from the classical management theory to increase productivity of the workers, or the involvement of workers in improving work methods as given by the behavioral management theory, as well as the establishment of a team of sales and production personnel to coordinate sales and production as proposed for in the systems theory. He then asserts that, rather than doing all three, contingency theory stresses the need to first determine the true cause of the problem and select the action that will offer the best solution. In other words, the solution must fit the problem.

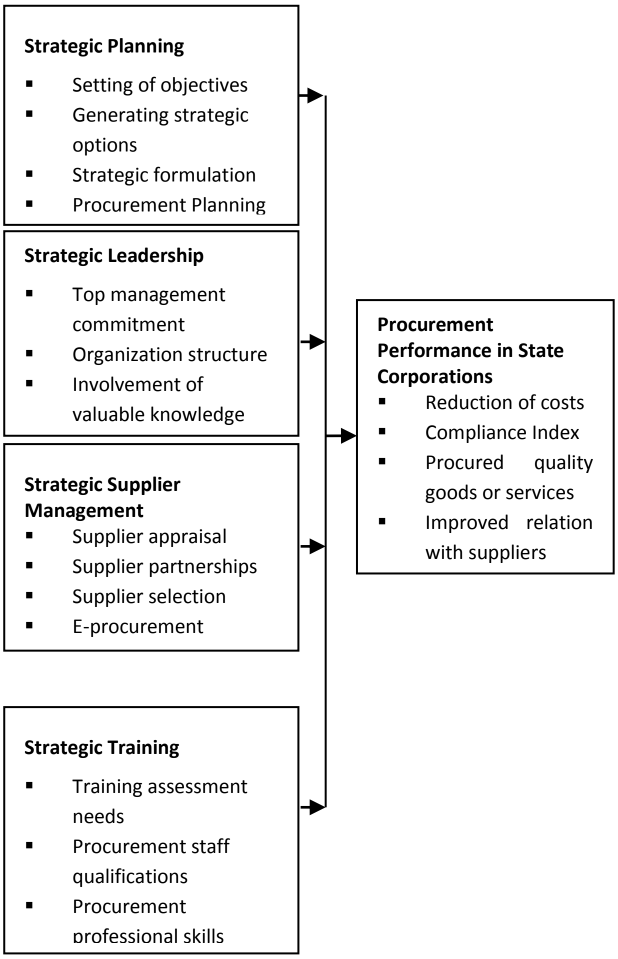
Ketovi (2006) argues that contingency theory advocates for flexibility strategies. Flexibility, according to him, implies that managers are using strategies that enable them to best match their capabilities with the demands of their operating environment. He thus conducted a study which examined how managers used different flexibility strategies to meet environmental demands, demand variability and demand predictability. The results indicated that the plants with high predictability and moderate variability were most successful when they used a reduction strategy while successful plants with low predictability and moderate variability were more successful when they used banking strategy which involved building inventory ahead of demand or an adaptation strategy which to varied output to meet demand. Specialized strategies are thus needed to align management and organizational structure with the required input output model to ensure financial performance of the organization.

Game Theory

This theory will guide the study in establishing the relationship between strategic training and procurement performance in state corporations in Kenya. The game theory is a theory attempts to determine strategies that players take to ensure that they secure the best results in a wide variety of actions also referred to as games. Through mathematical and logical models, the theorists have developed types of games that explain actions and results. The games include co-operative or non-cooperative games, zero sum and non-zero sum games, simultaneous and sequential games, perfect and imperfect information games, combinatorial games, infinitely long games, discrete and continuous games, differential games, many-player and population games, stochastic outcomes and metagames (Moorthy, 2008). A player makes sequential moves in a game by looking ahead and reasoning backwards. Each player should figure out how the other players will respond to his current move and he uses this information to respond to opponents' moves. At the end of the day, the resources are shared amongst all the players in the game with the player with the best strategy having had absorbed resources from the players using weaker strategies.

As Moorthy (2015) states Game theory cannot be used as a technique that provides precise solutions to strategic management problems. One rather obvious reason is that game theory does not have a single solution to provide, and there are other reasons as well. For many real-world problems, a game theoretic analysis may prove intractable. Capturing the reality of the situation may entail a model with hundreds of strategies for each player, but computing the equilibrium of such games is not easy.

Conceptual Framework



Independent Variables **Dependent variable**

Figure 1: Conceptual Framework

Strategic Planning

Strategic planning practices is a formal process designed to help a firms identify and maintain an optimal alignment with the most important elements, the environment within which the organization resides (Pearce & Robbinson, 2008). An organization practicing strategic planning involves, defining the organizational vision and mission, environmental scanning, setting of objectives, generating strategic options, evaluating and deciding on the strategic methods to monitor progress. For organization to achieve its desired goals and maximize profits it needs to follow the step of corporate strategic planning (Byars, 2011)

Strategic planning practices involve formulation of vision and mission statement, performance of situation analysis and finally strategy formulation and choice (Pearce & Robbinson, 2008). Strategic decision determines the organizational relations to its external environment, encompass the entire organization, depends on input from all of the functional areas in the organization and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization (Shirley, 2012).

A strategic plan is usually set by the top management echelon and has a time horizon consistent with the scanning abilities of the organization and set at the risk level that planners feel is appropriate for their organizations. The specifics of the plan should address questions of scope, resource requirements, competitive advantage, quality expectations, social responsibility issues, and synergy (Henry, 2004). Henry (2004) explains that no amount of elaboration will ever enable a formal process to take the place of managers who are fully engaged in their operations, or for that matter replace the critical and creative thinking that is necessary to create novel and innovative strategies.

According to Byars (2011) a strategic plan is used to describe the steps taken by an organization in achieving its objectives and mission". In addition to this, Starkey (2004) points out that the mission is the first step of the strategic plan that defines the long-term vision of the organization. If an organization does not have a vision, then there is no reason for existing. A very simple and clear definition is also given by Henry (2004) who believes that this is the process for creating and choosing a particular strategy to respond to future events and plan how to implement it. A useful model, which in our view forms the basis for the rest, is the one developed by Johnson & Scholes (2013) and is used widely. It consists of three main elements in a triangular form, each of which has three major domains. These elements, which are interlinked, are: strategic analysis; strategic choice; and strategy implementation.

Strategic Leadership

Strategic management is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of top managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rapa & Kauffman, 2005).

To involve employees is an important milestone to make strategy everyone's everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. Moreover, involvement of middle managers helps build consensus for implantation of strategic plans. A lack in strategic consensus can limit a company's ability to concentrate its efforts on achieving a unified set of goals (Werlin, 2010). A strategic planning system cannot achieve its full potential until it is integrated with other control systems like budgets, information and reward systems. The balanced scorecard provides a framework to integrate the strategic planning and meets the requirements that the strategic planning system itself can display (Kotha & Swamidass, 2010).

The challenge for any manager is how to coordinate the efforts of talented employees within a limited time frame and to ensure that the aims and mission of the intended marketing strategy is clearly understood. Firms can aid this process through rules, directives and routines (Grant, 2002). Coordination deals with only the technical problem of integrating the actions of mid-level marketing managers within firms. Cooperation, however, concerns the building mechanisms that link individuals in ways that permit them to perform given tasks, such as implement the marketing strategy effectively.

Strategic Supplier Management

Supplier management is a business process that allows a company to adequately select its vendors and negotiate the best prices for goods and services that it purchases. Senior managers also monitor the corporate supply chain to ensure that vendors familiarize themselves with the company's operating activities and manufacturing processes (Arthur 2009). According to Peters (2004) argues that SRM managers should be responsible for managing no more than three supplier relationships, in order to devote sufficient time to each. Staff involved in SRM activities will have a good combination of commercial, technical and interpersonal skills. Commercial acumen, market knowledge, analytical abilities and project management expertise are important. But "softer" skills around communication, listening, influencing and managing change are critical to developing strong and trusting working relations. SRM managers understand their suppliers' business and strategic goals and are able to see issues from the supplier's point of view, while balancing this with their own organizational requirements and priorities.

Supplier involvement in product development allows firm to make better use of their suppliers capabilities and technology to deliver competitive products. Coordinating operational activities through joint planning also results to inventory reduction, smoothing production, improve product quality, and lead time reduction (Ansari, 2009) Browne (2004) contends that supplier relationship management is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management (CRM) is intended to streamline and make more effective the processes between an enterprise and its customers.

Strategic Training

Compton (2007) suggests that effective execution of organization procurement procedures greatly depends on the level of employees' training since lack of professional trained staff on procurement functions limits the ability of the organizations to embrace procurement best practices through benchmarking. Charles (2007) contends that lack of professional training is a key impediment to maintenance of high level of professionalism in the execution of procurement procedures in many government parastatals organizations.

According to Andrew (2008), new training ideas are developed because trends are towards making training more practical, realistic and pertaining to employees' jobs. Training must give employees broader knowledge to enable them to effectively use new technology and integrate it into the workplace. Lower costs, better quality, faster return on investment, increased productivity and long-term growth are all achieved once employees adapt to changes and are trained accordingly. In the past, training was very classroom/instructor-oriented; this has recently proved ineffective compared to modern developments. More recent trends show training going beyond "job specific" to "continuous learning", in which the focus is on other areas of expertise within the company. In continuous learning, employees are encouraged to learn and understand the jobs and skills needed of those around them and more often perform them on a regular basis. Semi-autonomous work teams are most conducive in the continuous learning environment because each employee trains others in their group. This way, employees know one another's jobs and can perform them in case of an employee absence (Christianne, 2008).

According to Ebrahim (2010) contends that from management viewpoint, procurement training is associated with higher organizational productivity, it can improve the adaptability and flexibility of their employees and their responsiveness to innovation, it can be regarded as a means of engaging the commitment of employees to the organization and training programmes specific to the organization are of paramount importance not least because they bind the employee and cannot be used by rival organizations. A study by Emmanuel (2007) showed that in Africa, training of procurement personnel could greatly support effective implementation of procurement practices in many public training institutions.

A study by Simpson and Power (2007) found that in many African government institutions, many procurement managers are not trained on implementation of effective procurement practices and this contributes to wastage of procurement funds. According to Arthur (2009) many procurement managers in government parastatals in Kenya lack competitive knowledge and skills on how to effectively embrace effective procurement practices and this hampers minimization of procurement expenditure. According to Handfield (2009) many government parastatals have succeeded in embracing effective procurement practices as a result of continuous training of procurement staff and employment of professionally trained procurement staff.

Procurement Performance

According to Van Weele (2006) purchasing performance is considered to be the result of two elements: purchasing effectiveness and purchasing efficiency. Performance provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. This means that purchasing performance is not an end in itself but a means to effective and efficient control and monitoring of the purchasing function (Lardenoije, Van Raaij, & Van Weele, 2005). Purchasing efficiency and purchasing effectiveness represent different competencies and capabilities for the purchasing function.

CIPS Australia (2005) presents the differences between efficiency and effectiveness. Efficiency reflects that the organisation is "doing things right" whereas effectiveness relates to the organisation "doing the right thing". This means an organization can be effective and fail to be efficient, the challenge being to balance between the two. Measuring the performance of the purchasing function yields benefits to organisations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage as was noted by Batenburg and Versendaal (2006).

Empirical Review

Goodwin (2005) outlines empirical review as the authors review of information and theories currently available concerning the topic under study to demonstrate the author's thorough understanding of the topic which he/she is conducting research. Goodwin further asserts that empirical review shows that the problem being studied had not been done before or has not been done before in the way proposed by the researcher.

Strategic Planning

Kanini and Ogutu (2012) did a study on the Strategic planning practices and performance of state corporations in Kenya. The main aim of the project report was to investigate on strategic planning practices and performance of state corporations in Kenya. The research design that was used in this study was descriptive cross sectional survey method, aimed at establishing the strategic planning practices and performance of State Corporation in Kenya. The target population of this study consisted of all the 125 state corporations. The study used stratified random sampling technique to select a sample of 50 corporations from a population of 125 State Corporation in Kenya. The study concluded that, majority of State Corporation, was actively involved in strategic planning and had a documented vision and mission statements. The study established that state corporations adopted a number of strategic planning practices that had a positive relationship with the performance of corporations; hence the implication of this study is that Strategic planning practices enhances better organizational performance, which in the long run has impact on its service delivery and survival.

Kibachia, Iravo and Luvanda(2014) did a study on the Survey of risk factors in the strategic planning process of parastatls in Kenya. This study sought to determine the challenges faced by the Kenya Bureau of Standard in its efforts to implement its strategic plans. Specifically, the study tried to find out how organization structure, leadership style, top management, staff involvement and organizational change affect implementation of strategic plans in the Organization. It also tried to identify the role of funds in strategic plan implementation. The study was explanatory in nature since its main purpose was to explain the factors that affect implementation of strategic plans in the public sector and especially in the Kenya Bureau of Standard. It adopted a stratified random sampling technique to get a sample of 27 respondents being 15% of the 178 members of staff who form Organization's entire staff compliment. Data for the study was collected by use of questionnaires and analyzed using descriptive and inferential statistics to establish the relationship between the dependent and independent variables. Quantitative data was analyzed by use of means of percentages, standard deviations and frequency distributions. From the findings strategic planning process has been faced with various risk factors including inadequacy of funds and less involvement of staff in the whole process of strategic planning. The researcher would recommend that the Kenya Bureau of Standard should address the factors that affect strategic planning process because the strategic plan is the key route to improved business performance and has an important role in every organizational setting. To mitigate or even avoid severe effects on the performance of the organization by the government, the organization should adhere to its regulations concerning attainment of funds.

Strategic Leadership

Mpofu (2010) conducted a study that investigated the strategic leadership challenges in the management of projects in the Parastatals in South Africa which was a regression analysis and found out that the biggest challenges to implementation of strategies was the resistance to change, poor financing, poor strategic planning and poor evaluation of strategic implementation. The study was a regression analysis which used a cross section of parastatals. Another study was conducted by Mashavira & Nyanga (2013) in Zimbabwe to determine the factors mitigating effective performance management in Parastatals operating in Masvingo urban District of Zimbabwe this was an ANOVA study which determined that poor financing, poor attitude, poor strategic planning and poor implementation and evaluation were the biggest hindrances of performance management as a strategy.

In Kenya, the studies have rather concentrating on specific strategies and narrowing down to specific industries. One such a study is a study by Obara et al (2010) who concentrated on Information system implementation in state corporations. The study was an ANOVA study which used 65 IT managers, one each from 65 state corporations which was 50% of the 123 state corporations in Kenya at the time. The study found the same challenges of implementation as the cases in South Africa and Zimbabwe. However, the study found out that the implementation of IT led to improved performance. In addition, Kihara (2013) conducted a study to determine factors affecting the implementation of strategic performance measurement system in parastatals in Kenya. This was a case study of Kenya Rural roads Authority. The study used ANOVA and had the same findings as the studies in South Africa, Zimbabwe and the one by Obara (2010). Kihanya (2013) also conducted a regression study to determine the challenges of the implementation of Business strategies using parastatals in the ministry of Agriculture and also came up with the same findings.

Strategic Supplier Management

Ojil, Kibet and Musiega (2014) research sought to assess the factors that influence the performance of supplies unit with special focus on County Government of Kakamega. The study adopted a descriptive research design. The study established that financial stability of a supplier had a positive effect on county government supplies units in Kakamega County. The study also revealed that quality management had a positive impact on county government supplies units in Kakamega County. The study further established that reliability of supplier had a positive effect on county government supplies units in Kakamega County. The study established the performance of suppliers before awarding tenders to them had positive influence on the county government supplies units in Kakamega County. Bashuna (2013) assessed selected factors affecting effective management of the procurement function at Nakuru North Sub County Procurement Unit. This study carried out a census in the procurement units among departmental heads from all the 30 Ministry departments. The study established that management of the procurement function was found to be slightly effective. This was greatly attributed to project financing, accountability, ICT adoption and the internal control system as applied in departments.

Strategic Training

Njeru (2015) conducted a research on determine factors affecting effective implementation of procurement practices in tertiary public training institutions in Kenya. A descriptive correlational research design was adopted and the target population comprised 40 tertiary public training institutions in Kenya. The study concluded that supplier management followed by training and then procurement policies are the major factors that mostly affect effective implementation of procurement practices tertiary public training institutions in Kenya.

RESEARCH METHODOLOGY

The research design employed was descriptive survey design. Mugenda and Mugenda (2012) notes that a descriptive survey seeks to obtain information that describes existing phenomena by asking questions relating to individual perceptions and attitudes. The target population in this study was 70 GDC staff and study targeted each division that was involved in the strategic management implementation at the GDC. The study selected five categories that results in dividing the target population into three categories, these categories are classified as Human resource & Administration, Finance & control, Legal, Procurement and Audit divisions. In order to analyze the relationship between the independent variables and the dependent variable the study used multiple regression analysis at 5% level of significance. The Multiple Regression model that aided the analysis of the variable relationships was as follows:

$$Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon,$$

Where, Yi = Procurement Performance;

β_0= constant (coefficient of intercept),

X_1= Strategic Planning;

X_2= Strategic leadership;

X_3= Strategic Supplier Management;

X_4= Supplier Training;

ε = error term;

$\beta_1 \ldots \beta_4$= regression coefficient of four variables.

RESEARCH FINDINGS AND DISCUSSIONS

Strategic Planning

The study sought to assess the influence of strategic planning on procurement performance in state corporations in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 1 presents the findings. The scores of ‘Very Great Extent’ and ‘Great Extent’ have been taken to represent a statement equivalent to mean score of 3.5 to 5.0. The score of ‘Moderate Extent’ has been taken to represent equivalent to a mean score of 2.6 to 3.4. The score of ‘Small Extent’ and ‘Very Small Extent’ have been taken to represent a statement equivalent to a mean score of 1.0 to 2.5.

The study findings in Table 1 with a grand mean of 3.542 the strategic planning influence procurement performance in the organization. The respondents indicated to a great extent that The organization identifies and maintains an optimal alignment to improve quality of goods and services (3.675); The organization does specifying and achievable objectives to ensure there is reduction of costs (3.234); The organization has ensured that our orders have zero mistakes (3.721); The organization does set up policy guidelines that help in strategy formulation to improve compliance index (3.652); The organization does develop strategies annually in strategy evaluation to improve quality of goods and services (3.289); Environmental scanning carried out by the organization helps to specify and achieve objectives that help shorter lead time (3.653). The study findings corroborated with literature review by Pearce & Robbinson (2008) who stated that the strategic planning practices is a formal process designed to help a firms identify and maintain an optimal alignment with the most important elements, the environment within which the organization resides. For organization to achieve its desired goals and enhance procurement performance it needs to follow the step of corporate strategic planning.

Table 1: Strategic Planning

Statement	Mean	Std
The organization identifies and maintains an optimal alignment to improve quality of goods and services.	3.675	.654
The organization does specifying and achievable objectives to ensure there is reduction of costs	3.721	.562
The organization does set up policy guidelines that help in strategy formulation to improve compliance index	3.652	.420
The organization does develop strategies annually in strategy evaluation to improve quality of goods and services	3.289	.580
Environmental scanning carried out by the organization helps to specify and achieve objectives that help shorter lead time	3.653	.398
Composite Mean	**3.542**	

Strategic Leadership

The study sought to assess the influence of strategic planning on procurement performance in state corporations in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 2 presents the findings. The scores of 'Very Great Extent' and 'Great Extent' have been taken to represent a statement equivalent to mean score of 3.5 to 5.0. The score of 'Moderate Extent' has been taken to represent equivalent to a mean score of 2.6 to 3.4. The score of 'Small Extent' and 'Very Small Extent' have been taken to represent a statement equivalent to a mean score of 1.0 to 2.5.

The study findings in Table 2 with a grand mean of 3.3452 the strategic leadership influence procurement performance in the organization. The respondents indicated to a moderate extent that basic top management commitment is very relevant to my assignments (3.456); The purpose of my involvement of valuable knowledge is fully met (3.2624); The organization structure is very appropriate to enhance reduction of costs (3.009); There is professional ethics emphasis during learning to enhance quality of goods and services procured (3.212); Top management commitment is set for enhancing transparency and accountability is adequate (3.490); The organization structure is appropriate to enhance top management commitment to improve transparency and accountability (3.009). The study findings corroborates with literature review by Rapa & Kauffman (2005) who stated that the success of any implementation effort depends on the level of involvement of top managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process

The challenge for any manager is how to coordinate the efforts of talented employees within a limited time frame and to ensure that the aims and mission of the intended marketing strategy is clearly understood. Firms can aid this process through rules, directives and routines (Grant, 2002). Coordination deals with only the technical problem of integrating the actions of mid-level marketing managers within firms. Cooperation, however, concerns the building mechanisms that link individuals in ways that permit them to perform given tasks, such as implement the marketing strategy effectively.

Table 2: Strategic Leadership

Statement	Mean	Std
Basic top management commitment is very relevant to my assignments.	3.456	.320
The purpose of my involvement of valuable knowledge is fully met.	3.262	.280
The organization structure is very appropriate to enhance reduction of costs	3.009	.285
There is professional ethics emphasis during learning to enhance quality of goods and services procured	3.212	.320
Top management commitment is set for enhancing transparency and accountability is adequate.	3.490	.482
The organization structure is appropriate to enhance top management commitment to improve transparency and accountability	3.009	.320
Composite Mean	**3.345**	

Strategic Supplier Management

The study sought to assess the influence of strategic supplier management on procurement performance in state corporations in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 3 presents the findings. The scores of 'Very Great Extent' and 'Great Extent' have been taken to represent a statement equivalent to mean score of 3.5 to 5.0. The score of 'Moderate Extent' has been taken to represent equivalent to a mean score of 2.6 to 3.4. The score of 'Small Extent' and 'Very Small Extent' have been taken to represent a statement equivalent to a mean score of 1.0 to 2.5.

The study findings in Table 3 with a grand mean of 2.875 the strategic supplier management influence procurement performance in the organization. The respondents indicated to a moderate extent that they do appraise the suppliers annually to meet the organization compliance standards (3.330); they ensure the suppliers are paid in time as the one of the compliance requirements (3.110); they do get after sale service from your suppliers annually to meet the compliance standards (3.201); Resolve immediate problems that would disrupt the work (3.210); Recognize contributions and accomplishments of the suppliers (3.110); Resolve immediate problems that would disrupt the work (3.652); Consult with suppliers on challenges affecting them (3.320); Keep suppliers informed about management actions affecting them (2.903).

The study findings corroborates with literature review by Ansari (2009) that the ccoordinating operational activities through joint planning also results to inventory reduction, smoothing production, improve product quality, and lead time reduction Browne (2004) contends that supplier relationship management is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management (CRM) is intended to streamline and make more effective the processes between an enterprise and its customers.

Table 3: Strategic Supplier Management

Statement	Mean	Std
We do appraise the suppliers annually to meet the organization compliance standards.	3.330	.320
We ensure the suppliers are paid in time as the one of the compliance requirements	3.110	.280
We do get after sale service from your suppliers annually to meet the compliance standards	3.201	.285
The suppliers do fail to honor the orders issued	3.210	
Resolve immediate problems that would disrupt the work.	3.110	.320
Recognize contributions and accomplishments of the suppliers.	3.652	
Consult with suppliers on challenges affecting them.	3.320	.482
Keep suppliers informed about management actions affecting them	2.903	.320
Composite Mean	**2.875**	

Strategic Training

The study sought to assess the influence of strategic training on procurement performance in state corporations in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Very Great Extent; 4 = Great Extent; 3 = Moderate Extent; 2 = Small Extent; 1= Very Small Extent). Table 4 presents the findings. The scores of 'Very Great Extent' and 'Great Extent' have been taken to represent a statement equivalent to mean score of 3.5 to 5.0. The score of 'Moderate Extent' has been taken to represent equivalent to a mean score of 2.6 to 3.4. The score of 'Small Extent' and 'Very Small Extent' have been taken to represent a statement equivalent to a mean score of 1.0 to 2.5. The study findings in Table 4 with a grand mean of 3.001 the strategic training influence procurement performance in the organization. The respondents indicated to a moderate extent that frequent refresher training enables me to offer services better (3.221); they do not rely on professional training to do their work (3.421); The organization comprehensively and adequately train staff on shorter lead time (3.211); The organization has the capacity to enhance further training (regular update of skills) on procurement requirements (3.001); the education level at joining the service and constant feedback enhances their reliability at work (3.125); Education at entry has no role in leadership training and their performance (3.612). Education at entry has no role in leadership training and my performance (3.652); Basic leadership training is very relevant to my assignments (3.127); The purpose of their leadership training is fully met (3.330).

The study findings corroborates with literature review by Compton (2007) suggests that effective execution of organization procurement procedures greatly depends on the level of employees' training since lack of professional trained staff on procurement functions limits the ability of the organizations to embrace procurement best practices through benchmarking. Charles (2007) contends that lack of professional training is a key impediment to maintenance of high level of professionalism in the execution of procurement procedures in many government parastatal organizations.

Table 4: Strategic Training

Statement	Mean	Std
Frequent refresher training enables me to offer services better.	3.221	.320
I do not rely on professional training to do my work.	3.110	.339
There is need for additional skills and competencies of reduction of costs	3.421	.319
The organization comprehensively and adequately train staff on shorter lead time	3.211	.318
The organization has the capacity to enhance further training (regular update of skills) on procurement requirements	3.001	.325
My education level at joining the service and constant feedback enhances my reliability at work.	3.125	.325
Education at entry has no role in leadership training and my performance.	3.612	.318
Basic leadership training is very relevant to my assignments.	3.217	.324
The purpose of my leadership training is fully met.	3.330	.315
Composite Mean	**3.001**	

Procurement Performance

The study sought to examine the influence of strategic management practices on procurement performance in state corporations in Kenya, attributed to the influence of strategic planning, strategic leadership, strategic supplier management and strategic training. Findings in Table 5 below reveal improved procurement performance across the 5 year period running from the year 2012 to 2016. In the cost reduction, a majority of respondents affirmed having grown incrementally from 0%-20% in 2013 (41.9%), to cost reduction by 0%-20% in 2014 (37.9%), 21%-40% in 2015 (34.80%), cost reduction by 21%-40% in 2016 and 21%-40% in 2017 Shorter lead time also recorded positive with a majority affirming a majority of respondents affirmed having grown incrementally from 0%-20% in 2013 (42.30%), to shorter lead time by 0%-20% in 2014 (37.7%), 21%-40% in 2015 (3.10%), shorter lead time reduced by more than 40% in 2016 and reduced by more than 40% in 2017(37.50%).

A similar trend was recorded in quality of procured goods, from improvement of 0%-20% in 2013 (44.10%), 0%-20% in 2014 (35.20%), 21%-40% in 2015 (36.40%), compliance index improved by more than 40% in 2016 (41.10%) and improved by more than 40% in 2017(37.30%). It can be deduced from the findings that key procurement performance in state corporations have considerable improved with the adoption of the strategic planning, strategic leadership, strategic supplier management and strategic training.

Table 5: Procurement Performance

Cost Reduction	2013	2014	2015	2016	2017
Reduced by 0%-20%	41.9	37.9	33.8	29.7	29.1
Reduced by 21%-40%	33.2	29.6	34.8	31.3	34.7
Reduced by more than 40%	24.9	31.5	31.4	39.0	36.2

Shorter Lead Time	2013	2014	2015	2016	2017
Reduced by 0%-20%	42.3	37.7	31.6	30.7	29.5
Reduced by 21%-40%	31.8	32.9	36.1	28.2	33
Reduced by more than 40%	25.9	29.4	32.3	41.1	37.5
Quality of Goods Procured	**2013**	**2014**	**2015**	**2016**	**2017**
Improved by 0%-20%	44.1	35.2	33.4	25.7	27.1
Improved by 21%-40%	31.7	32.6	30.2	33.9	35.6
Improved by more than 40%	23.5	32.2	36.4	40.4	37.3

Multiple Regression Analysis

Table 6: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.881	.776	.762	.002

Table 7: ANOVA

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	16.453	4	4.11325	19.304	.000
Residual	10.654	50	.21308		
Total	27.107	54			

NB: F-Critical Value = 14.763

Based at 5% level of significance, strategic planning had a .000 level of significance; strategic leadership show a .001 level of significance, strategic supplier management show a .003 level of significance and strategic training show a .005 level of significance hence the most significant factor was strategic planning. The general form of the equation was to predict procurement perfomance in the state corporations from strategic planning, strategic leadership, strategic supplier management and strategic training is: (**$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$**) becomes: $Y = 11.902 + 0.762X_1 + 0.725X_2 + 0.688X_3 + 0.659X_4 + 0.125$. This indicates that procurement perfomance in the state corporations = 11.902 + 0.762* Strategic Planning + 0.725*Strategic Leadership + 0.688*Strategic Supplier Management + 0.659*Strategic Training + 0.125.

Table 8: Coefficient Results

Model	Unstandardized Coefficients	Standardized Coefficients	t	P-values.

	β	Std. Error	β		
(Constant)	11.902	.125		6.432	.000
X_1_Strategic Planning	.762	.103	.465	6.221	.000
X_2_Strategic Leadership	.725	.117	.354	5.321	.001
X_3_Strategic Supplier Management	.688	.125	.255	5.239	.003
X_4 Strategic Training	.659	.221	.232	3.210	.005

CONCLUSION AND RECOMMENDATIONS

From the results, the study established that the strategic planning influence procurement performance in the organization. The respondents indicated to a moderate extent that the organization identifies and maintains an optimal alignment to improve quality of goods and services. The organization does specifying and achievable objectives to ensure there is reduction of costs. The organization has ensured that our orders have zero mistakes. The organization does set up policy guidelines that help in strategy formulation to improve compliance index. The organization does develop strategies annually in strategy evaluation to improve quality of goods and services. Environmental scanning carried out by the organization helps to specify and achieve objectives that help shorter lead time.

From the study results, it was established that strategic leadership influence procurement performance in the organization. The respondents indicated to a moderate extent that basic top management commitment is very relevant to my assignment. The purpose of my involvement of valuable knowledge is fully met. The organization structure is very appropriate to enhance reduction of costs. There is professional ethics emphasis during learning to enhance quality of goods and services procured. Top management commitment is set for enhancing transparency and accountability is adequate. The organization structure is appropriate to enhance top management commitment to improve transparency and accountability.

From the results the strategic supplier management influence procurement performance in the organization. The respondents indicated to a moderate extent that they do appraise the suppliers annually to meet the organization compliance standards. They ensure the suppliers are paid in time as the one of the compliance requirements. They do get after sale service from your suppliers annually to meet the compliance standards. Resolve immediate problems that would disrupt the work. Recognize contributions and accomplishments of the suppliers and rresolve immediate problems that would disrupt the work.They cconsult with suppliers on challenges affecting them. They keep suppliers informed about management actions affecting them.

From the results strategic training influence procurement performance in the organization. The respondents indicated to a moderate extent that frequent refresher training enables them to offer services better. They do not rely on professional training to do their work. The organizations comprehensively and adequately train staff on shorter lead time. The organization has the capacity to enhance further training (regular update of skills) on procurement requirements. The education level at joining the service and constant feedback enhances their reliability at work. Education at entry has no role in leadership training and their performance. To a moderate extent the basic leadership training is very relevant to my assignments and purpose of their leadership training is fully met.

The study sought to examine the influence of strategic management practices on procurement performance in state corporations, attributed to the influence of strategic planning, strategic leadership, strategic supplier management and strategic training. The cost reduction, shorter lead time and quality of goods procured recorded low positive achievements in the organization. From inferential statistics, a positive correlation is seen between each determinant variables and procurement performance in state corporations. The strongest correlation was established between strategic planning and procurement performance in state corporations All the independent variables were found to have a statistically significant association with the dependent variable at ninety-five level of confidence. Analysis of variance was further done and it was established that there was a significant mean. This is since the p values of their coefficients were all less than 0.05.

Conclusions of the Study

Based on the study findings, the study concluded that procurement performance in state corporations in Kenya is affected by strategic planning, strategic leadership, strategic supplier management and strategic training as the major factors that mostly affect implementation of procurement performance in state corporations in Kenya

The study concluded that strategic planning is the first most important factor that affects procurement performance in state corporations in Kenya. The regression coefficients of the study show that strategic planning has a significant influence on procurement performance in state corporations in Kenya. This shows that strategic planning has a positive influence on procurement performance in state corporations in Kenya.

The study concludes that strategic leadership is the second most important factor that affects procurement performance in state corporations in Kenya. The regression coefficients of the study show that strategic leadership has a significant influence on procurement performance in state corporations in Kenya. This shows that strategic leadership has a positive influence on procurement performance in state corporations in Kenya.

Further, the study concluded that strategic supplier management is the third most important factor that affects procurement performance in state corporations in Kenya. The regression coefficients of the study show that strategic supplier management has a significant influence on procurement performance in state corporations in Kenya. This shows that strategic supplier management has a positive influence on procurement performance in state corporations in Kenya.

Finally, the study concludes that strategic training is the fourth most important factor that affects procurement performance in state corporations in Kenya. The regression coefficients of the study show that strategic training has a significant influence on procurement performance in state corporations in Kenya. This shows that strategic training has a positive influence on procurement performance in state corporations in Kenya.

Recommendations of the Study

The study explored the influence of strategic management practices on procurement performance in state corporations in Kenya with specific reference to Geothermal Development Company. Based on the findings, the following recommendations were made which the organization, other state corporations and even the private organizations should put in place to address these issues if Kenya is to achieve its vision 2030 plans in the public procurement.

The study recommends for implementation of strategic planning to enhance strategic decision on procurement performance and have a direct influence on the administrative and operational activities and are vitally important to the long term health of an organization There is need to develop a strategic plan set by the top management and should address questions of scope, resource requirements, competitive advantage, quality expectations, social responsibility issues, and synergy to enhance procurement performance.

The study recommended that procurement managers to coordinate the efforts of talented employees within a limited time frame and to ensure that the aims and mission of the intended marketing strategy is clearly understood to enhance procurement performance. The coordination should deal the technical problem of integrating the actions of mid-level marketing managers within organizations. Cooperation also concerning procurement activities in the building mechanisms that link individuals in ways that permit them to perform given tasks, such as implement the procurement strategy effectively should be encouraged.

The study recommended for the enhancement of strategic supplier management whereby there is need to appraise the suppliers annually and ensure the suppliers are paid in time. The after sale service from the suppliers and honor the orders issued and encourage the suppliers offer credit facilities. There is need to resolve immediate problems that would disrupt the work and do recognize contributions and accomplishments of the suppliers. They should consult with suppliers on challenges affecting them and keep suppliers informed about management actions affecting them to enhance implementation of procurement outsourcing practices.

The study recommended for the enhancement of strategic training to enhance procurement performance in the state corporations. There is need to have effective execution of organization procurement procedures greatly depends on the level of employees' training since lack of professional trained staff on procurement functions limits the ability of the organizations to embrace procurement best practices through benchmarking. The lack of professional training is a key impediment to maintenance of high level of professionalism in the execution of procurement procedures in state corporations.

Areas for Further Research

The study contributes the body of knowledge by examining the influence of strategic management on procurement performance in state corporations in Kenya. The procurement performance in state corporations is greatly affected by inadequate strategic planning, strategic leadership, strategic supplier management and strategic training. The study contributes to the existing literature in the field of public procurement by elaborating exiting theories, models and empirical studies on procurement performance in state corporations. The current study should therefore be expanded in future in order to determine the other factors hindering procurement performance in state corporations in Kenya. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other state corporations and other countries in order to establish whether the explored factors can be generalized.

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