ROLE OF INVENTORY MANAGEMENT PRACTICES ON PERFORMANCE OF THE HOSPITALITY INDUSTRY IN KENYA

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ABSTRACT

The purpose of the study was to establish the role of inventory management practices on performance of hospitality industry in Kenya. A descriptive research design was adopted and the target population comprised of 400 supply chain officers in the hotels in Nairobi Central Business District. The regression model procurement performance in the hospitality industry coefficient of determination R Square was 0.769 and R was 0.877. The coefficient of determination R Square indicated 76.90% of the variation on performance in the hospitality industry was explained by the set of independent variables. The remaining 28.30% of variation in performance in the hospitality industry could be explained by other variables not included in this model. The study recommended that there was need to appraise the suppliers annually and ensure the suppliers were paid on time. To enhance performance in the hospitality industry there was need to have sufficient and qualified procurement personnel with enough training assessment methods and with the rules and regulations. There should be adequate training and simulation for key stakeholders especially the procurement staff qualifications to promote reduction of procurement costs. Organization should offer professional skills related to procurement and employ staff with the professional skills. Procurement planning is usually the first stage of procurement process and therefore hospitality industry need to develop the skills for employees on developing quality procurement plans based on the approved budgets. The study recommended for information communication technology in procurement which was very critical in determining the level of organization performance. These calls for hospitality industry to fully invest in automating their key inventory management processes so as to ensure competitiveness and transparency in procurement processes. The investment on ICT Integration is critical in enhancing the cost efficiency, delivery time, product quality and customer satisfaction. The hospitality industry should provide more training on their staff on the application of different systems and technologies applicable in procuring goods and services.

Key Words: Supplier Management, Staff Competency, ICT Integration, Procurement Planning, Hospitality Industry

INTRODUCTION

Inventory management comprises various actions taken by the management to reduce cost, maintain production, continuous supply and reduce loss (Saleemi, 2009). According to Pandey, (2015) the objectives of inventory management are: To maintain a large size of inventory for efficient, smooth production and sales operation, and to maintain a minimum investment in inventory to maximize profitability. Inventory management refers to various techniques used to ensure that right quantity of an item is used at the right time and place. Efficiency in inventory means the ability to quickly receive and store products as they come in and retrieve and ship when they go out. Every extra second spent in these processes adds to the costs of inventory management. Plus, efficient distribution is a customer satisfaction issue for trade channel sellers and retailers. Retailers expect suppliers to meet prescribed delivery timetables, and customers expect customized orders and products to arrive on time (Lucey, 2006).

Well-managed inventory control is often a key in meeting profit margin objectives. Gross profit margin is the difference between revenue earned from sales and the costs of goods sold. Take away fixed costs including buildings, utilities and labor and you get to operating margin. Investing as little as possible in inventory control while meeting the other objectives is critical in earning profit and growing your business, (Waters, 2006). Inventory management is a crucial element in the working functions of any hotel. It refers to the purchasing of goods and services in the right quality, from the right source and the right price all to meet a specific need. In Kenya, inventory in the hotels consumes 45% of their budget the close relationship between inventory and performance of hotel industry demonstrates that there is need for transparency and accountability in the manner in which procurement is conducted (Masime 2009).

Delivering economically sound solutions and Good business practice with an aim of attaining value for money (Eyaa & Oluka, 2011). In order to maximize procurement performance, an organization needs to adjust its structure and management processes to the changes in the outside competitive environment and also to facilitate the necessary cooperation between various parts within the company. The issue of structural design becomes especially relevant as purchasing is a part of a company that lies in the meeting point of those environments. As such, it has to meet both external as well as internal communication requirements (Telgen, 2011).

Kakwezi and Nyeko (2014), state that inventory management 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 in the best procurement practices 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.

In Australia hotels, inventory management provides a basis for effective control and stewardship of resources and demonstrates the value of the procurement function. This was not available in 2005 (Thai, 2011). Citing a report on the review of Purchasing and Logistics in the Queensland Government, (Smee, 2012) reports that forty four percent (44%) of state organizations in Australia reported that they had no performance measures in place for assessing procurement efficiency and effectiveness. Of those that did have measures, many are

qualitative statements rather than specific targets to achieve. Only one state agency reported benchmarking against other agencies or external organizations.

According to Waters (2008), in Africa many organizations have dramatically changed their views of stock in the recent years. Historically, they saw stock as a benefit, with high stocks ensuring maximum service and even giving a measure of wealth. This thinking encouraged organizations to maximize their stocks and is still the reason why countries keep reserves of gold and why individuals keep food in the freezer. But with the advent of the twentieth century, it became clear that these stocks had costs that could be surprisingly high. Then organizations began to view stocks not as unreserved benefits but as a resource that needs careful control and thus the need to device ways of minimizing overall costs. More recently, organizations have gone further in reducing stocks, and they try to work with very low levels. There has been a trend towards operations that move materials quickly and efficiently through supply chains matching supply to demand so that stocks are not accumulated. When this works, it gives considerable savings, but it is not a realistic option for all operations. Most organizations cannot work properly without stock and therefore they have to consider its management.

Although inventory management is not highly pronounced in the Kenya government, ministries, public sectors and manufacturing companies, the use on inventory management can be felt through reduced costs, maintaining production, continuous supply and reduced loss. If you walk into their stores, chances are that the profitable business has a clean, well-organized building while the struggling business operates out of a messy, disorganized space. This is because the effect of inventory systems can be felt throughout an organization, (Chase, 2010). Inventory control is no easy task, and yet once your business has

employed best practices, maintenance is far simpler in an organized space than a cramped, messy one. If one can't find inventory put away in their warehouse they can't sell it. Paying for inventory that will simply sit unsold in the warehouse is a waste of resources, puts additional strain on the business, and certainly doesn't contribute to profitability. The ERP software is designed to include inventory systems, but it's up to the firm to put them to good use. One can take advantage of the planning modules to organize the warehouse in an efficient manner; putting inventory away properly and in the right place reduces the risk of damage and loss (Upadhaya, Munir, & Blount, 2014).

Appropriateness of hospitality industry is one of key drivers in performance of tourism industry which contributed 4.8 percent of GDP in 2016 according to World Travel and Tourism Council. These reflect activities generated mainly by hotels and others. This rank number two in economic contributor after agriculture, which is a confirmation of importance of this sector in Kenyan economy. According to Kenya Market outlook for 2014 over 500 decent hospitality industry exists in Kenya. Competition of hospitality industry in Kenya can be analyzed in form of customer and supplier bargaining power, threat of new entrants and rivalry between the existing businesses due to market segmentation. With continuous effort by the government of Kenya to make Kenya most preferred destination, hospitality industry is expected to grow thus bringing in more competition from new entrants. The existing hospitality industry is also continuing with more innovations which are making the business competition to increase day in day out.

Statement of the Problem

Hospitality industry is a major enterprise in modern economy and in Kenya, it is considered one of the leading sectors that create jobs and increase foreign exchange earnings. The industry has been vibrant because it is an administrative and regional business hub with good game parks

(GoK, 2016). As a result, many luxury hotels have come up to offer services in the growing hospitality industry but lately, the industry has shown decline. It has been established that lack of implementation of inventory procurement practices, the hospitality industry losses are at $100 million a year (Maggarini, 2011. According to Kenya Institute of Public Policy and Research Analysis (2017), Kenyan hotels had an estimated overstocking of 2 Billion and operated at 25% which was below optimal level. Thus, Taha (2013) states that ineffective inventory management practices mean there are lost selling opportunities which leads to a depletion of the hotel revenue. For example, there has been a gradual decline of former large and successful hotels like Sarova, Serena and Hotel Englishpoint in Kenya (Kenya Tourism Board, 2017) states that there was no five-star establishment in Mombasa ''Kenya's tourism hub'' in the latest classification. Hotels in Kenya are facing competition and demand is fluctuating (Gitobu, 2014). To counter these challenges, the hotels have adopted different inventory management practices in terms of supplier management, staff competency, procurement planning and ICT integration There is a positive relationship between these practices in the hospitality and its performance (National Tourism Strategy, 2013).

Inventory management practices in the Kenyan hospitality industry have long existed but rather in a less structured and formal manner. Industry players have continuously collaborated some for as long as twenty-five years (Bethapudi, 2013). The general feeling is that inventory management is something good and is laden with substantial benefits. As the business environment becomes more complex, organizations recognize that many benefits can be obtained from closer, long-term relationships (Akitonye, 2014). Wafula (2016) ventures to say that committed relationships are among the most durable of advantages because of their inherent barriers to competition. Few authors, notably Abade (2011) have attempted to explore this area within the Kenyan context.

Inventory management in the hospitality industry has been receiving increased interest from industry players and academicians. Testament to this is the growing amount of literature in the field. More importantly, inventory management collaboration has become an integral part of supply chain management in the hotels (Matopoulos et al., 2007). Inventory management is at the core of collaborative, supply-chain based business models. Advances in information technology in the inventory management have changed modern business practice, making collaborative supply chain management (SCM) possible (Cachon & Fisher, 2010; Chatfield et al., 2001; Lee et al., 2010; Li, 2012). In spite of the much-applauded competitive value of inventory management, its role in the performance of hotels in the Kenyan hospitality industry has not been empirically determined. It is on this premise that the study sought to examine the role of inventory management practices on performance of hospitality industry in Kenya.

Objectives of the Study

The general objective of the study was to establish the role of inventory management practices on performance of hospitality industry in Kenya. The specific objectives were:-

- To examine the influence of supplier management on performance of hospitality industry in Kenya.
- To establish the influence of staff competency on performance of hospitality industry in Kenya.
- To determine the influence of ICT integration on performance of hospitality industry in Kenya.
- To explore the influence of procurement planning on performance of hospitality industry in Kenya.

LITERATURE REVIEW

Theoretical Review

Supply Chain Operations Reference (SCOR) Model

This theory re-counts the first variable in the study namely Supplier management. Supply chain operations reference model (SCOR) was first developed by the management consulting firm PRTM, now part of price water house coopers and was endorsed by supply chain council as a supply chain management diagnostic tool as observed by (Achieng & Rotich, 2013). PRTM management outlines SCOR as a tool that enable the users to address, improve and communicate the activities within a supply chain and all the other parties involved. It spans from supplier to the customer, (Simchi-levi, 2008). The SCOR model "provides a unique framework that links business processes, metrics, best practices and technology features into a unified structure to support communication among supply chain partners and to improve the effectiveness of supply chain management and related supply chain improvement activities, (Supply Chain Council, 2009). The scope of the model covers the interaction of the customer, supplier, and general interaction in the market from understanding the knowledge on demand aggregate to the fulfilment of each order made. The theory was developed for effective communication among partners of the supply chain. It also facilitates collaboration which is inter and intra within the supply chain, horizontal integration (Peter, 2003). The model is used to describe measure and evaluate supply chains in a move of supporting the strategic plan and continuous improvement. The best practices pillar basically identifies what activities should be performed once the performance of the supply chain operations has been measured and performance gaps identified (Shreekant, 2012). The researcher has enlisted supplier selection, negotiation, supplier database and supplier development. All these facets are looped between the buyer and the seller. It is consequently imperative for the researcher to determine the extent to which supplier management touch on performance of the hotel industry.

Knowledge Based Theory

This theory will guide the study on the role of staff competency on performance of the hotel industry. The knowledge-based theory of the firm considers knowledge as the most strategically significant resource of the firm. Its proponents argue that because knowledge-based resources are usually difficult to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage and superior corporate performance (Grant 2007). This knowledge is embedded and carried through multiple entities including organizational culture and identity, policies, routines, documents, systems, and employees (Zander 2007). The knowledge-based theory determines the nature organization human recourses capabilities which are mostly influenced by the nature of training given to the employees. Existence of professional trained staff in procurement field and availability of many staff with high education level plays an important role in strengthening the organization capabilities in terms of trained manpower. The study thus will use this theory to establish how the hotel trains procurement employees in order to equip them with knowledge that helps them to implement inventory management practices.

Social-Technical Systems Approach Theory

This theory will guide the study on the third variable (ICT Integration). Passmore (1988) holds that the socio-technical systems approach is based on the premise that every organization consists of the people, the technical system and the environment. People (the social system) use tools, techniques and knowledge (the technical

system) to produce goods or services valued by consumers or users (who are part of the organization's external environment). Passmore (1988) further emphasises that equilibrium among the social system, the technical system and the environment is necessary to make the organization more effective. Embracing technology as a meaningful tool for use is equally important as it propels better results.This study explicates the ICT as the Internet, electronic data interchange, enterprise resource planning and training. These sub variables are geared towards the same resolve on adoption, performance and continuous improvement. According to (Quesada & Gonzalez, 2010), the application of information systems technology to enhance procurement performance is an important issue that continues to receive managerial and academic attention. It is therefore vital for the researcher to ascertain to what extent ICT Integration impact on performance of the hospitality industry.
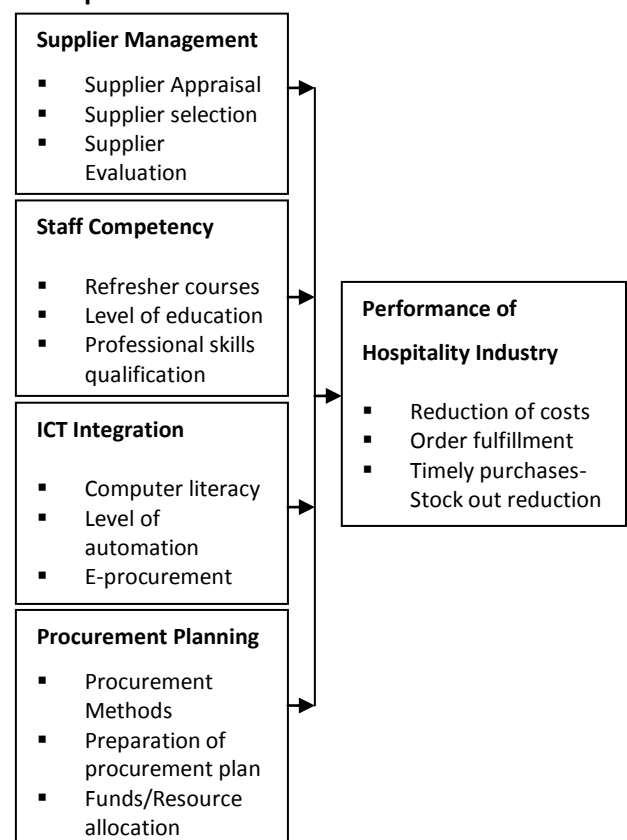
Transaction Cost Economics (TCE) theory

The transaction cost Economic theory will guide the study on understanding of procurement planning on performance of the hotel industry. The transaction cost theory was proposed by Coase (1937). This theory addresses questions about why firms exist in the first place (i.e., to minimize transaction costs), how firms define their boundaries, and how they ought to govern operations. According to Patrick, (2010) TCE was originally developed to help to determine the efficiency of governance structures in the private sphere. Simon and Evenett (2005) argue that parties have to bid for the right quality of goods and services and the award has to go to the bidder offering the lowest price. Firstly, where competitive bidding can indeed be an effective way of determining the lowest cost supplier when the price of the good or service being procured is the buyer's only concern, it works less well for complex goods and services where the buyer

cares more for the quality, reliability, and other attributes of the procurement (Golinelli, 2009).

Secondly, supplying hotel industry services typically requires large, durable investments in production and distribution facilities that are specialized to a particular market; the efficient governance of public utility transactions is likely to require long-term contracts to avoid the hazards of repeated haggling over the terms of trade once those investments are in place (McCrudden, 2008). Finally, uncertainty about cost and demand conditions over such long horizons and the complexity of hotel industry services will leave long-term contracts for hotel industry services inevitably incomplete (Tukamuhabwa, 2012).

Conceptual Framework

Supplier Management
• Supplier Appraisal
• Supplier selection
• Supplier Evaluation

Staff Competency
• Refresher courses
• Level of education
• Professional skills qualification

ICT Integration
• Computer literacy
• Level of automation
• E-procurement

Procurement Planning
• Procurement Methods
• Preparation of procurement plan
• Funds/Resource allocation

Performance of Hospitality Industry
• Reduction of costs
• Order fulfillment
• Timely purchases-Stock out reduction

Independent Variables   Dependent Variable

Figure 1: Conceptual Framework

Supplier Management

Effective supplier management can make inventory management process more cost

effective and time efficient. Having supply market intelligence and applying a correct competition situation are ways to implement a good supplier management strategy. Other issues that should be accounted are a reliable source for supplier performance and evaluation as well as developing the suppliers. With the help of common procurement approaches and development projects the supplier relationship is utilized to the maximum (Iloranta 2008)

Supplier management succeeds the best when all the different factors have been taken into account. It is important to consider issues like delivery, packaging, logistics, time management, documentation and reporting and communication. In most cases the problems with suppliers are due to the fact that the contract lacks of detailed information about daily supplier management. Selecting a contact person for the buying and selling organization is essential to ensure the information flow between the organizations (Iloranta, 2008).

According to Liker *et al.* (2004), actively developing the supplier relations is important. Understanding your suppliers and utilizing your supplier's mutual competition has proven to be a very effective way of supplier management. Other development ideas include managing your suppliers to improve their performance and abilities. It's important to keep the managing role to yourself when conducting shared product development projects. The buying organization should communicate information with determination to selected suppliers (Liker *et al.* 2004).

Staff Competency

Boyatzis (2008), define competency as a capability, ability or an underlying characteristic of an individual which is casually related to effective or superior performance. It is a set of related but a different set of behavior organized around an underlying construct, which we call the "intent".

The behaviors are alternate manifestations of the intent, as appropriate in various situations or times. Competence is a cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act efficiently in a job or situation. Competencies indicate sufficiency of knowledge and skills that enable someone to act in a wide variety of situations (Aketch and Karanja, 2013). According to Russell (2014), professionalism in public procurement relates not only to the levels of education and qualifications of the workforce but also to the professional approach in the conduct of business activities. If the workforce is not adequately educated in procurement matters, serious consequences including; breaches of codes of conduct may occur.

Training is the process of identifying and developing the necessary knowledge and skills required for doing a job. Training is learning provided in order to improve performance on the present job (Armstrong 2008). Lack of training on application of sustainable procurement strategies hinders implementation of effective inventory management practices in the hospitality industry Dessler (2008), emphasize that training is a hallmark of good management and a task that managers ignore at their own peril. Vance (2006) on the other hand stresses that training and development can serve as additional levers for enhancing engagement and commitment. Vance (2006) further alludes that person-organization fit is fostered through training which is vital for developing productive and dedicated employees. Through training, new and current employees acquire the knowledge and skills they need to perform their jobs and are more likely to engage fully in their work, because they derive satisfaction from mastering new tasks. Employee training practices emphasizes to the management that commitment is a two-way process in that employees cannot be expected to be committed to the organization unless the management

demonstrates that it is committed to them and recognizes their contributions as stakeholders.

ICT Integration

Information technology plays a major role in tourism, travel and hospitality industry. The integration of ICT in the tourism industry is essential for the success of tourism enterprises. IT facilitates an individual to access the products information from anywhere any time, can also reach the targeted customers across the globe in a single click on the keypad through the use of mobile computers and web technologies (Bethapudi, 2013). Over the years, technology in business has been changing rapidly as the global environment becomes highly competitive and innovative. In particular information technology has become very vital to all organizations that intend to remain competitive in the market. The drivers of change in today's world include, deregulation, global excess capacity, global competition, changing customer expectations, ICT, demographic shifts and changing work and lifestyles. These changes have led organizations to embark on activities that will provide a source competitive advantage and embrace the usage of ICT (Shi, Alastair& Kevin, 2010).

Information Technology (IT) is a technology that involves use of computers, software and internet connections infrastructure for supporting information processing and communication functions (Crompton 2007). The use of information technology in hospitality industry has not been effectively implemented since most inventory management is subjected to procedures that are slow, inaccurate and ineffective. This has negative impact on inventory management procedures since the hospitality organizations cannot effectively monitor and coordinate inventory management procedures of all activities because of lack of computerized systems and this subjects much of inventory management functions to manual operations which are slow and ineffective. The use of computerized

inventory management systems demonstrates effective use of information technology. In cases where the organization subjects all its inventory management functions to manual procedures, the benefits of information technology are not experienced and a high level of inefficiency is experienced during execution of inventory management practices.

According to Rusek (2006), the digitalization of information and data, as well as the opportunities offered by the Internet, provides the basis for rationalization and improved efficiency in administrative processes for private sector procurement companies. The digitalization of the administrative and inventory management of hospitality industry sector companies provides a number of advantages, for example, the opportunity to establish new and more efficient work processes and to communicate and cooperate in new ways. Traditional paper-based work processes in procurement can be made more efficient, changed or rendered superfluous when data and data-communication become electronic. Via this path, resources can be transferred from administration to service. Digitalization does not only bring advantages with it. The risk element in procurement changes radically along with technical development, for example, when traditional paper documents disappear and are replaced by digital information that easily can be stolen (copied), changed, deleted, etc., without trace. In future, security surrounding digital systems will be allocated important priority in all fields of society (Rusek, 2006).

Procurement Planning

Industry Manual, (2008) counsels that a procurement plan is an instrument for implementation of the budget and should be prepared by the user departments with a view to avoiding or minimizing excess votes in the entities' budgets and to ensure that procurements do not proceed unless there are funds to pay for

them. This implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law. Procurement planning is the process used by companies or institutions to plan purchasing activities for a specific period of time, this is commonly completed during the budgeting process, and the primary concept of procurement planning is that advance planning will result in cost savings, more efficient business operations, and therefore increased profitability. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today (Thai, 2004)

Mamiro (2010), in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010), argue that procurement performance is not usually measured in most Public entities as compared with the human resource and finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. Procurement planning is the primary function that sets the stage for subsequent procurement activities; it fuels and then ignites the engine of the procurement process. It is the process of determining the procurement needs of an entity, their funding and timing of their acquisition such that operations are met as required in an efficient manner, Arrowsmith & Hartley (2012)

Procurement planning is one of the primary functions of procurement with a potential to contribute to the success of organization's operations and improved service delivery (Basheka, 2008). Hotels enact regulations to reduce the waste of resources and the overutilization of available resources. Procurement plans aim to ensure that entities work within the budgets and money allocated for various purposes fulfill their intended purpose. One way is through strict regulations that would dwell on waste reduction of which would be aligned to the national waste management policy and working frameworks that ensure transparency and plans that ensure the selected tenders are the most economically advantageous ones (Rotich, 2011).

Performance of the hospitality industry

Inventory management in the hospitality industry entails implementation of strategies to be followed when making organization purchasing decisions in the hospitality industry (Zuzana, 2012). These include building supplier relationships, team-based approaches to procurement and proper use of technology or e-procurement (UNEP 2007). According to Singh (2006), the hospitality industry has traditionally focused much of its attention on the assets it best understands, real property and the capital that finances it. And yet what will distinguish the most successful companies of the next century will be the effective management of inventory and customer relationships-the industry's intangible assets. Performance management is an organization-wide system whereby managers integrate the activities of goal setting, monitoring and evaluating, providing feedback and coaching, and rewarding employees on a continuous basis. In addition, the organization's inventory management practices can facilitate or hinder its performance.

Empirical Review

Supplier Management

According to Lysons (2008), customer relationship management (CRM) is a widely-implemented strategy for managing a company's interactions with customers, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes principally sales activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments. Measuring and valuing customer relationships is critical to implementing this strategy.

O'Brien (2014) show that perceived improvements in organizational performance are associated with improvements in supply chain quality management practices and there is a statistically significant association between improvements in supplier quality management, customers' relations, and supplier selection and the quality-tendency groups. The perceptions in performance in themselves are not factual and may require further studies. The management of the supply chain requires the simultaneous controlling of multiple relationships and as a way of keeping up with this trend; researchers have come up with means of building these business networks relationships that will result in value creation.

A study by Findlay (2009) notes that many public training institutions in USA encountered supplier management challenges that hampered implementation of effective procurement practices. The key notable challenges encountered by many institutions included; supplier appraisal methods, supplier selection

strategies and supplier rating methods. Gadde's (2007) study revealed that many public training institutions in

India employed poor supplier appraisal methods and this hindered implementation of effective procurement practices. A study by Mulwa (2009) revealed that the use of poor supplier appraisal methods and application of ineffective supplier selection process discourages implementation of effective procurement practices in many public training institutions in Kenya. Oyugi (2010) notes that many public training institutions lack effective supplier relationship management strategies and do not collaborate with suppliers and this impacts negatively towards implementation of cost-effective procurement practices.

Staff Competency

Smith (2009) contends that lack of professional training on procurement functions and lack of continuous training on implementation of best procurement practices hinders the procurement staff in public sector organizations to effectively execute procurement procedures. Hall (2009) argues that the efficiency and the effectiveness of procurement procedures are hindered by absence of effective continuous employees training programmes that help in equipping the employees with competitive procurement management skills. 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. A study by Arthur (2009) notes that many procurement managers in tertiary training institutions in Kenya lack

competitive knowledge and skills on how to effectively embrace effective procurement practices and this hampers minimization of procurement expenditure. A study by Cristianne (2008) reveals that lack of professionally trained procurement staff and employment of unqualified and incompetent staff discourages implementation of effective procurement practices in many institutions in developing nations.

Halil, Mehmet and Omer (2013) analyzed the effects of individual competencies on performance in the services industries in Turkey. A survey research was conducted in this study. The survey was addressed to the companies in service sector in Turkey, and the questionnaires have been distributed to 3000 employees in 30 companies and 2679 completed questionnaires were returned, representing a response rate of 89 percent. An exploratory factor analysis (EFA) was used to assess the influence of individual competencies on performance. The findings revealed that there is a positive relationship between competencies and individual performance. Furthermore, core competencies are appeared to have the most significant effect on individual performance. The results of this study provided some empirical evidences referring the effects of individual competencies on organizational performance. One of the most surprising results of the study is that, when it comes to organizational performance, managerial competencies appeared to be the most significant factor. The survey was not comprehensive to include all possible service sectors in Turkey. This research is limited to banking, cargo, communication, food and catering, finance, publishing, retail, IT, and tourism companies. Thus, the results cannot be generalized to other industrial sectors that were not part of this study. This study analyzes the impact of individual competencies on performance whether it is high or low. The qualitative approach of this study produces rich information about employee's

competency and performance. The study contains useful information for management practitioners about maintaining and increasing the individual competency to increase organizational performance.

ICT Integration

Charles (2008) found out that over 46% of firms in Canada had succeeded in implementing effective procurement practices through application of strategic sourcing strategies such as global sourcing, multiple sourcing and supplier development. However, another study by Michael (2009) notes that in South Africa, many organizations employ single sourcing strategies and lack effective sourcing strategies for supporting effective implementation of sustainable procurement practices. Moses (2009) noted that application of poor sourcing strategies is a key impediment to implementation of effective procurement practices in many government institutions in Kenya. A study by Oyugi (2010) notes that lack of e-procurement methods, lack of automated procurement systems, lack of supportive ICT infrastructure and absence of ICT skills amongst procurement staff greatly affect the implementation of effective procurement practices in tertiary public training institutions in Kenya.

Handfield (2009) study found out that integration of procurement functions with ICT has enabled many public training institutions to improve the level of effectiveness in the execution of procurement practices. A study by Sanjeeve (2009) found that implementation of ICT based procurement methods in many public institutions in Africa is hindered by lack of e-procurement methods, lack of automated procurement systems, lack of supportive ICT infrastructure and absence of ICT skills amongst procurement staff. A study by Tanzi (2009) found that in Canada, innovation in technology has played a major role in enhancing many organizations to adopt effective procurement practices. Sobczak (2008)

found that in Japan and China, the use of renewable energy such as solar and wind energy has made it possible for many firms to embrace effective procurement practices

Procurement Planning

A study by Thai and Grimm (2009) on "Procurement: Past and Current Developments", states that governments have organized procedures, resources and systems to consistently employ and align all procurement strategies that are related to business objectives. Overall, enterprises employing these approaches in a consistent and integrated method outperformed peers in cost savings, expenditure under management, compliance, supplier integration, and greater contribution to enterprise value. This is possible when the plans have been well orchestrated with the addition of internal and external involvement as the government tries to meet its budgeted public expenditure (Mahmood, 2010). According to Basheka (2011), his study on "Procurement Planning and Accountability of Local Government Procurement Systems in Developing Countries: Evidence from Uganda", states that, procurement professionals can provide policy makers with valuable information in their planning mainly pre-procurement cycle phases, including needs assessment, and procurement program authorization and appropriation. The information is critical in planning as a major source of feedback for procurement adjustment, improvement, or reform (Thai & Grimm, 2009).

Onyango (2012) sought to examine the effects of procurement planning on public institutions performance with focus on Specific objectives, Cost Estimation, Need Assessment and Quality Specifications. Literature suggests that Procurement Planning is one of the primary functions of procurement with a potential to contribute to the success of operations and improved performance. Despite this importance, very limited scientific research has been done to examine the extent to which efforts in procurement planning can contribute to effective public institutions performance. The study was based on the procurement models, PPOA manual, PPDA Act (2005), and PPDR (2006). The study provided a guideline on effective measures to be put in place in Procurement planning to facilitate effective procurement which improves institutional performance.

METHODOLOGY

The study adopted a descriptive research design in collecting data from the respondents. Descriptive design was chosen for this study for its ability to offer the researcher a detailed profile and describe relevant aspects of phenomena which in turn lead to a better understanding of the role of the research problem (Mugenda, 2008) The data provided through this design sought to establish the determinants of procurement performance of the hotel industry. The target population in the study was 400 supply chain officers in the hotels within Nairobi Central Business Districts according to the Kenya Tourism Board. Statistically, analysis was done using the models:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where;

Y is the dependent variable (Performance of the Hotel Industry);

X is the set of three independent variables, i.e.

X_1 – Supplier Management;

X_2 – Staff Competency

X_3 – ICT Integration;

X_4 – Procurement Planning;

$\beta_{i\ (i=1,2,3,4)}$ are the parameters associated with the corresponding independent variable that are to be estimated (partial regression coefficients);

β_0 is the intercept;

ε is the error variability (Error term).

FINDINGS

Supplier Management

The first objective of the study was to establish the influence of supplier management on procurement performance in the hotel industry, Kenya. Respondents were thus asked to indicate the extent to which they agreed with various statements relating to supplier management on procurement performance in the hotel industry, Kenya. Responses were given on a five-point scale where: 1= Very small extent; 2= Small extent 3= Moderate extent; 4 = Great extent; 5= Very great extent. The scores of 'Very small extent' and 'Small extent' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Moderate extent' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'Great extent' and 'Very great extent' have been taken to represent a statement great extent upon equivalent to a mean score of 3.5 to 5.0.

Table 1 below presents the findings. With a grand mean of 2.890, a majority of respondents can be said to have highly agreed to great extent with most statements posed as regards influence of supplier management on procurement performance in the hotel industry in Kenya. Majority particularly to a moderate extent indicated the organization believes in supplier development to improve performance of its suppliers (3.214); the organization focuses on building long lasting relationships with suppliers (3.434); the organization makes timely payments to the suppliers after goods and service delivery (3.771); The organization conducts supplier appraisals annually (3.114); The organization conducts supplier appraisals annually (2.980); The organization enjoys economies of scale as a result of a strong supplier relationship (2.784). The study findings are in agreement with literature review by Iloranta (2008) who established that the effective supplier management can make the procurement process more cost and time efficient. Having supply market intelligence and applying a correct competition situation are ways to implement a good supplier management strategy. Other issues that should be accounted are a reliable source for supplier performance and evaluation as well as developing the suppliers. With the help of common procurement approaches and development projects the supplier relationship is utilized to the maximum.

Table 1: Supplier Management

Statements	Mean	Std. Dev
The organization believes in supplier development to improve performance of its suppliers	3.214	.488
The organization focuses on building long lasting relationships with suppliers	3.434	1.022
The organization makes timely payments to the suppliers after goods and service delivery	3.771	.123
The organization conducts supplier appraisals annually	3.114	1.523
The organization enjoys economies of scale as a result of a strong supplier relationship	3.980	1.308
The organization believes in supplier development to improve performance of its suppliers	2.784	1.255

Composite mean		2.890

Staff Competency

The third objective of the study was to establish the influence of staff competency on performance in hospitality industry in Kenya. Respondents were thus asked to indicate the extent to which they agreed with various statements relating to staff competency on procurement performance in the hospitality industry, Kenya. Responses were given on a five-point scale where: 1= Very small extent; 2= Small extent 3= Moderate extent; 4 = Great extent; 5= Very great extent. The scores of 'Very small extent' and 'Small extent' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Moderate extent' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'Great extent' and 'Very great extent' have been taken to represent a statement great extent upon equivalent to a mean score of 3.5 to 5.0.

As tabulated, a majority of respondents were found to highly agree the workforce needs external guidance with regard to the procurement practices (3.245); procurement teams are well acquitted with the procurement laws (3.321); the procurement requirements are such that call for procurement tasks demand professionals with high level strategic , tactical as well as operational skills to improve order fulfillment (3.326); the organization staff has been trained on the concept of implementation of procurement practices (3.123); there is need for additional skills and competencies to enhance reduction of costs(3.112). The organization comprehensively and adequately train staff on how to handle procurement challenges (2.998); The organization has the capacity to enhance further training (regular update of skills) on reduction of procurement costs (3.908). The study findings support Moncka (2012) who argues that in an effort to attain these demands, organizations constantly look for employees who have skills necessary to deal with the wide variety of tasks faced by purchasing professionals. Procurement professionals need a set of flexible skills due to changing local government contexts. No single skill can be adequate to manage the procurement portfolio of great complexity in local government systems. Procurement tasks demand professionals with high-level strategic, tactical as well as operational skills. These skills should potentially take a broader supply chain multi-disciplinary and integrative approach.

Table 2: Influence of Staff Competency on Procurement Performance

Description	Mean	Std. Dev
The workforce needs external guidance with regard to the procurement practices	3.245	.226
The procurement teams are well acquitted with the procurement laws	3.321	.120
The procurement requirements are such that call for procurement tasks demand professionals with high level strategic, tactical as well as operational skills to improve order fulfillment	3.123	.569
The organization staff has been trained on the concept of implementation of procurement practices	3.112	.902
There is need for additional skills and competencies to enhance reduction of costs.	4.220	.532

The organization comprehensively and adequately train staff on how to handle procurement challenges					3.118	.568
The organization has the capacity to enhance further training (regular update of skills)					3.908	.008
The organization has the capacity to enhance further training (regular update of skills) on reduction of procurement costs					2.998	.528

ICT Integration

This section presents findings to survey questions asked with a view to establish the influence of ICT on procurement performance in the hotel industry, Kenya. The findings are presented in the Table 3. The data was collected from the different indicators of the ICT variable which was ordinally categorical. The data was therefore presented in frequency tables with the median being used as the appropriate measure of central tendency. Information Communication technology had the first indicator that required the institutions to state the percentage of employees in the firm who are computer literate, 53.30% of the respondents had 0-20%, 2.90% had 20-30%, 14.30% had 30-40% had 8.70%, 40-50% and 5.10% had over 50% The modal class is of the respondents who had between 0 to 20% literacy. The mode was found to be 1 which implies that on average the respondents 0 to 20% of employees in the firm that are computer literacy.

When the respondents were asked in the second question what the firms' level of automation was, 2.90% of the respondents had 0-20%, 2.90% had 20-30%, 5.70% had 30-40%, 31.10% had 40-50% and 45.60% had over 50%. The mode was found to be 4 which implies that on average the firms have over 40%-50% level of automation. The next indicator asked the respondents what the level of procurement systems usage was in the institution, 0% of the respondents had 0-20%, 2.90% had 20-30%, 5.70% had 30-40%, 37% had 40-50%, 45.70% had over 50%. The mode class is of the respondents who had over 50% level of procurement usage. The mode was found to be 4 which imply that on average the firms had over 50% level of procurement systems usage.

When the respondents were asked what the level of ICT infrastructure was, 2.90% of the respondents had 0-20%, 2.90% had 20-30% 5.70% had 30-40%, 37.10% had 40%-50%, 51% had over 50%" The modal class is of the respondents who had over 50% level. The mode was found to be 5 which imply that on average the firms had over 50% level of ICT infrastructure. The last indicator for the variable ICT inquired what the firms level of embracement of E-procurement was 0% of the respondents 0-20%, 3% had 20-30%, 3% had 30-40%, 31% had 40-50% and 60% had over 50%". The modal class is of the respondents who had over 50%. The median was found to be 5 which imply that on average the firms have over 50% level of embracement of E-procurement. Information Communication Technology (IT) is a technology that involves use of computers, software and internet connections infrastructure for supporting information processing and communication functions (Crompton 2007). The use of information technology in the hotel industry has not been effectively implemented since most of the procurement functions are subjected to manual procedures that are slow, inaccurate and infective. This has negative impact on procurement procedures since the hotels cannot effectively monitor and coordinate procurement procedures.

Table 3: Influence of ICT on Performance

	0%-20%	20%-30%	30%-40%	40%-50%	Over 50%	Mode

What percentage of employees in the firm is computer literate?	53.30%	2.90%	14.30%	8.70%	5.10%	5
What is the firm's level of automation?	2.90%	2.90%	5.70%	31.70%	48.60%	4
What is the level of procurement systems usage?	0%	2.90%	5.70%	37.10%	45.70%	4
What is the level of ICT infrastructure?	2.90%	2.90%	5.70%	37.10%	48.60%	5
What is the firm's level of embracement of E-procurement?	0%	2.90%	2.90%	31.40%	60%	5

Procurement Planning

The third objective of the study was to establish the influence of procurement planning on procurement performance in the hotel industry, Kenya. Respondents were thus asked to indicate the extent to which they agreed with various statements relating to procurement planning on procurement performance in the hotel industry, Kenya. Responses were given on a five-point scale where: 1= Very small extent; 2= Small extent 3= Moderate extent; 4 = Great extent; 5= Very great extent. The scores of 'Very small extent' and 'Small extent' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Moderate extent' has been taken to represent a statement agreed upon moderately, equivalent to a mean score of 2.6 to 3.4. The score of 'Great extent' and 'Very great extent' have been taken to represent a statement great extent upon equivalent to a mean score of 3.5 to 5.0.

Table 4 presents the findings as tabulated, a majority of respondents were found to be moderate with the statement posed in regard to the influence of procurement planning on the procurement performance in the hotel industry in Kenya. The study established that the procurement methods used in the organization are in line with the set standards (Mean=3.456). The organization carries out procurement in accordance with the set procedures (Mean=3.250). The procurement plan is prepared early enough to allow for proper allocation of funds (Mean=3.862). The budget is first approved before any procurement is initiated ((Mean=3.446). The organization ensures there is a procurement plan to avoid reckless and over spending of funds ((Mean=3.590). The study findings imply that procurement planning does influence procurement performance in the hotel industry in Kenya. This finding supports Ambe (2012) who argues that conducting a stakeholder analysis early in the planning process is a useful technique to identify the likely key issues in relation to the planned procurement. Consider the internal and external stakeholders who may need to be involved in the procurement planning. Bedey (2008) adds that in determining the level of detail required for specific significant procurement plans, agencies must take into consideration the nature of their procurement environment and the capability of their procurement practices. Jankiraman and Gopal (2006), notes that the relationship between quality, profitability and market share is quite evident. They go further and state that one factor above all other, which is quality, drives market

share. Profitability is virtually guaranteed if quality is present. There is no doubt that relevant perceived quality and profitability are strongly related.

Table 4: Influence of Procurement Planning on Performance of Hospitality Industry

Resources	Mean	Std. Dev
The procurement methods used in the organization are in line with the set standards	3.456	1.356
The organization carries out procurement in accordance with the set procedures	3.250	.528
The procurement plan is prepared early enough to allow for proper allocation of funds	3.862	1.524
The budget is first approved before any procurement is initiated	3.446	1.690
The organization ensures there is a procurement plan to avoid reckless and over spending of funds	3.590	.580

Performance of Hospitality Industry

The study sought to examine the role of inventory management practices on performance in hospitality industry in Kenya, attributed to the influence of supplier management, staff competency, ICT integration and procurement planning. The study was particularly interested in three key indicators, namely order fulfillment, Cost reduction and Timely Purchases-stock out reduction, with all the three studied over a 5 year period, running from 2013 to 2017. Table 5 below presents the findings.

Findings in Table 5 above reveal improved order fulfillment across the 5-year period running from the year 2013 to 2017. Order fulfillment recorded positive growth with a majority affirming to less than 10% in 2013 (42.3%) and 2014 (37.7%), to

10% in 2015 (36.1%) then more than 10% in 2016 (41.1%) and 2017 (37.5%). A similar trend was recorded in cost reduction, growing from less than 10% (44.1%) in 2013, to more than 10% in 2014 (36.4%), 2015 (40.4%) and 2016 (37.3%). Timely Purchases-stock out reduction further recorded positive growth with a majority affirming to less than 10% in 2012 (37.9%) and 2013 (35.9%), to 10% in 2014 (35.9%) and 2015 (35.3%) then by more than 10% in 2016 (36.2%). It can be deduced from the findings that key performance indicators have considerably improved as influenced by among other procurement management attributes, the role of supplier management, staff competency, ICT integration and procurement planning.

Table 5: Performance of Hospitality Industry

Order Fulfilment	2013	2014	2015	2016	2017
Improved by less than 10%	42.3	37.7	31.6	30.7	29.5
Improved by 10%	31.8	32.9	36.1	28.2	33
Improved by more than 10%	25.9	29.4	32.3	41.1	37.5

Cost reduction	2013	2014	2015	2016	2017
Reduced by less than 10%	44.1	35.2	33.4	25.7	27.1
Reduced by 10%	31.7	32.6	30.2	33.9	35.6
Reduced by more than 10%	23.5	32.2	36.4	40.4	37.3
Timely Purchases-stock out reduction	**2013**	**2014**	**2015**	**2016**	**2017**
Improved by less than 10%	37.9	35.9	31.2	25.7	33.1
Improved by 10%	36.2	31.3	35.9	35.3	30.7
Improved by more than 10%	25.9	32.8	32.9	39	36.2

Multiple Regression Analysis

A multiple regression model was fitted to determine whether independent variables notably, X_1= Supplier Management, X_2=Staff Competency, X_3= ICT Integration, X_4= Procurement Planning simultaneously affected the dependent variable Y= Procurement Performance. As can be observed in Table 6, the regression model performance of hospitality industry coefficient of determination R Square was 0.769 and R was 0.877. The coefficient of determination R Square indicated 23.10% of the variation on procurement performance in the hotel industry can be explained by the set of independent variables. The remaining 28.30% of variation in procurement performance in the hotel industry can be explained by other variables not included in this model. This shows that the model has a good fit since the value is above 60%. This indicated that supplier management, staff competency, ICT integration and procurement planning are important factors that need to be enhanced to boost procurement performance in the hotel industry.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.877	.769	.747	.000

Further, the study revealed that the significance value is 0.001which is less than 0.05 thus the model is statistically significance in predicting how set of the independent variables influence procurement performance. The F critical at 5% level of significance was 11.876. Since F calculated (17.454) is greater than the F critical (value = 11.876), it shows that the overall model was significant. This implies that at least one of the independent variables has an effect on the dependent variable

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.890	4	3.9725	17.454	.000[a]
	Residual	13.654	60	.2276		
	Total	29.544	64			

NB: F-critical Value = 11.876;

As per the SPSS generated in Table 8, the model equation was ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$) becomes: $Y = 8.880 + 0.752X_1 + 0.726X_2 + 0.688X_3 + 0.784X_4$. This indicated that procurement performance = 8.880 + 0.752(Supplier management) + 0.726(Staff Competency) + 0.688(ICT) + 0.784(Procurement Planning). According to the regression equation established, taking all factors into account (supplier management, staff competency, ICT and procurement planning) constant at performance was 8.880 The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in supplier management led to a 0.752 increase in procurement performance

in the hotel industry.; a unit increase in staff competency led to a 0.726 increase in performance in the hospitality industry, a unit increase in ICT led to 0.688 increase in procurement performance in the hotel industry and a unit increase in procurement planning led to 0.784 increase in procurement performance in the hospitality industry. This infers that supplier management contributed most to procurement performance in the hotel industry. At 5% level of significance, supplier management had a 0.002 level of significance; staff competency showed a 0.003 level of significance, ICT showed a 0.008 level of significance and procurement planning showed a 0.000 level of significance hence the most significant factor was procurement planning.

Table 8: Beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
1 (Constant)	8.880	.874		10.160	.000
Supplier Management	.752	.187	.502	4.021	.002
Staff Competency	.726	.206	.455	3.882	.003
ICT Integration	.688	.270	.305	2.548	.008
Procurement Planning	.784	.176	.659	4.454	.000

CONCLUSION AND RECOMMENDATIONS

The study specifically examined the influence of procurement planning, supplier management, ICT integration and information communication and technology on performance in hospitality industry in Kenya. The reviewed literature showed performance in hospitality industry in Kenya played an important role in the development in the country. The empirical literature showed that performance in hospitality industry in Kenya is a comprehensive area influenced by various factors. In most of the hotels there has been found to be improving with increased adoption of procurement planning, supplier management, staff competency and information communication and technology.

The major findings summarized from the four specific objectives are as follows:

According to the descriptive results, the study established that a majority of respondents were found to be neutral with the statement posed in regard to the role of supplier management on the performance in the hospitality industry in Kenya. The study established that the hospitality industry believes in supplier development to improve performance of its suppliers. The hospitality industry focus on building long lasting relationships with suppliers. The hospitality industry makes timely payments to the suppliers after goods and service delivery. The county conducts supplier

appraisals annually. The hospitality industry conducts supplier appraisals annually.

From the study results it was established that staff competency affect performance in the hospitality industry. The study established that workforce needs external guidance with regard to the inventory management practices. The procurement teams are well acquitted with the procurement laws and requirements are such that call for procurement tasks demand professionals with high level strategic, tactical as well as operational skills to improve order fulfillment. The organization staff needs to be trained on the concept of performance. There is need for additional skills and competencies to enhance reduction of costs. The organization comprehensively and adequately trains staff on how to handle procurement challenges.

From the study results, the majority of respondents were found to be neutral with the statement posed in regard to the influence of information communication and technology on the inventory management practices on performance of hospitality industry in Kenya. The study established that ICT influence implementation of inventory management practices. The study established that the county has embraced E-procurement. The IFMIS is fully adopted in the county. The county has invested in up-to-date ICT infrastructure. The county has computer literate employees. The county's level of automation is commendable and up-to-date.

From the study results it was established that procurement planning influence performance in the hospitality industry in Kenya. The study established that a majority of respondents were found to be neutral with the statement posed in regard to the role of procurement planning on performance in the hospitality industry in Kenya. The study established that the procurement methods used in the hospitality industry are in line with the set standards. The organization carries out procurement in accordance with the set procedures. The procurement plan is prepared early enough to allow for proper allocation of funds. The budget is first approved before any procurement is initiated. The organizations ensure there is a procurement plan to avoid reckless and over spending of funds.

The study sought to examine the role of inventory management practices on performance of the hospitality industry in Kenya. From inferential statistics, a positive correlation is seen between each determinant variables and influence on performance in the hospitality industry. The strongest correlation was established between procurement planning and procurement performance in the hospitality industry. 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.

Conclusion

According to the study findings, the regression coefficients of the study show that planning has a significant influence on performance in the hospitality industry in Kenya. This implies that increasing levels of procurement planning would increase the levels of performance in the hospitality industry in Kenya. This shows that procurement planning has a positive influence on performance of hospitality industry, Kenya.

The regression coefficients of the study show that staff competency has a significant influence on performance in the hospitality industry in Kenya. This implies that increasing levels of staff competency would increase the levels of performance in the hospitality industry in Kenya. This shows that staff competency has a positive influence on performance of hospitality industry, Kenya.

Further, the study concludes that the regression coefficients of the study show that supplier management has a significant role on performance of the hospitality industry in Kenya. This implies that increasing levels of supplier management would increase the levels of procurement performance in the hotel industry in Kenya. This shows that supplier management has a positive influence on performance of hospitality industry, Kenya

Finally, the study concludes that the regression coefficients of the study show that ICT has a significant influence on performance on the hospitality industry in Kenya. This implies that increasing levels of ICT would increase the levels of performance of the hospitality industry in Kenya. This shows that ICT integration has a positive influence on inventory management practices on performance of hospitality industry, Kenya

Recommendations

The study recommends that 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

To enhance procurement performance in the hotel industry there is need to have sufficient and qualified procurement personnel with enough training assessment methods and with the rules and regulations. There should be adequate training and simulation for key stakeholders especially the procurement staff qualifications to promote reduction of procurement costs. Organization should offer professional skills related to procurement and employ staff with the professional skills

Procurement planning is usually the first stage of procurement process and therefore hotels need to develop the skills of the employees on developing quality procurement plans based on the approved budgets. The top level and lower level employees should be involved in formulation and development of the procurement plans so as to make the process of implementation easier and acceptable by all employees. The procurement personnel's in hotels need to carefully study and understand the applicable procurement thresholds in different situations and relevant procurement method applicable.

The study recommends for information communication technology in procurement which is very critical in determining the level of organization performance. These calls for hospitality industry to fully invest in automating their key procurement processes so as to competitiveness and transparency in procurement processes. The investment on E-procurement is critical in enhancing the cost efficiency, delivery time, and product quality and customer satisfaction. The hotels should provide more training on their staff on the application of different systems and technologies applicable in procuring goods and services.

Areas for Further Research

Due to constraints highlighted in the first chapter, this study could not exhaust all inventory management practices on performance of hospitality industry, Kenya. The four independent variables that were studied explain 76.90% of the performance of hospitality industry, Kenya. This therefore means that other factors not studied in this research contribute 23.10% to the performance of hospitality industry, Kenya. Therefore, other factors affecting performance of hospitality industry, Kenya need to be established. These may include the contract management, outsourcing practices, training; supplier relationship management among others needs further investigation.

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