



**INFLUENCE OF PROCUREMENT MANAGEMENT PRACTICES ON SERVICE DELIVERY IN STATE CORPORATIONS IN KENYA: A CASE OF KENYA AIRPORTS AUTHORITY**

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**ABSTRACT**

*The purpose of the study was to influence of procurement management practices on service delivery in the state corporations in Kenya. The study applied a descriptive research design. The target population of the study was 106 employees of Kenya Airports Authority. The sample frame included the employees defined by their departments. Data collection instrument used was the questionnaires. The pilot test was conducted to ensure the validity and reliability of the instruments. The findings were analyzed using Statistical Package for Social Sciences (SPSS Version 21) and presented using windows 8 Microsoft office (version 2014). It was notable that there exists a relationship between independent variables and dependent variable with a correlation coefficient of 0.866. The coefficient of determination was between zero and one. The study showed that the independent variables in the study were able to explain 74.90% variation in the service delivery while the remaining 25.10% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore needed to be considered in any effort to boost service delivery in the state corporations. The study recommended that the organization needed to identify the most appropriate procurement methods to enhance service delivery. To enhance service delivery in the state corporations, there was need to have sufficient and qualified procurement personnel with enough training assessment methods to enhance compliance with the rules and regulations. There was need for adequate funding for procurement processes. There was need to enhance records management to boost service delivery in the state corporations in Kenya. There was need that the records are created by authorized officers, referenced and copies filed in relevant files. All personnel in the department should be vetted and therefore cannot manipulate records. The documentation of records should be creative as there is need to have a systematic managing creation of records.*

**Key Words:** Procurement Methods, Resource Allocation, Staff Competency, Records Management, Service Delivery

## INTRODUCTION

Procurement Management is the process of planning, implementing, evaluating, and controlling strategic and operating purchasing decisions for directing all activities of the purchasing function toward opportunities consistent with the firm's capabilities to achieve its long term goals, 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).

In Australia, Procurement 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.

Procurement management is concerned with how public sector organizations spend taxpayers' money on goods and services (Hall 2009). Public procurement is guided by principles of transparency, accountability, and achieving value for money for citizens and taxpayers. Globally, in many developed nations, public sector expenditure is substantial. Government organizations across the

world tend to spend between 8 per cent and 25 per cent of GDP on goods and services (OECD 2006). In the UK, public procurement expenditure is approximately £150 billion (DEFRA 2007). Government is often the single biggest customer within a country, and governments can potentially use this purchasing power to influence the behavior of private sector organizations (Charles 2007). In particular, it has been noted that public procurement can be a lever to deliver broader government objectives, such as stimulating innovation in supply markets, using public money to support environmental or social objectives, and for supporting domestic markets (McCrudden, 2008).

In Africa, many public sector organizations view effective procurement as an add-on or an approach that costs more. Truly, sustainable solutions can often cost less over the whole life of the purchase. Some key benefits include: value for money, protection and enhancement of the environment, more efficient use of resources, greater social inclusion, fair and ethical trade, support for innovation, better risk management, lower whole-life costs improved supplier relationships, a diverse and flexible supply chain and a competitive edge in your industry (Talluri 2008). Effective implementation of procurement practices procurement policies and practices are critical for good public financial management and effective budget implementation (Zuzana 2012). In many African countries, public procurement accounts for a substantial part of fiscal expenditures, making sound procurement methods central not only for sound public financial management but also for inclusive growth (Zuzana 2012).

Procurement management is an important function in the development of Kenya and is governed by an act of parliament, the Public Procurement and disposal Act (2015). The act defines procurement as the acquisition by purchase, lease, hire purchase, rent or any other legal means of goods, services including livestock (PPDA, 2015). Procurement must meet the objective of purchasing of goods and services in the right quality, from the right source

and the right price to meet a specific need. This Act does not directly seek to regulate the private sector, though it does regulate its interaction with public entities. The PPDA was established in order to; maximize economy and efficiency, promote competition and ensure that competitors are treated fairly, promote the integrity and fairness of procurement procedures, increase transparency and accountability in those procedures, increase public confidence in those procedures, facilitate the promotion of local industry and economic development (Mathew, 2009). To achieve these objectives, the Act establishes procurement and disposal procedures, and sets up the necessary structures to ensure that the procedures are followed and there is provision of oversight and compliance.

### **Statement of the Problem**

According to Juma (2010), tendering in the public sector is the backbone of a firm's success since it contributes to competitive purchase and acquisition of quality goods that puts its products or services in the competitive edge in the market. However, poor procurement management has caused financial loss due to delivery of poor quality work materials, loss of value for money and inflated prices and thus has also contributed to decrease of service delivery in the public sector (Juma, 2010). Similar studies by Migai (2010), found poor procurement management is a major hindrance to organizations growth since it causes the delay of delivery, increase of defects, delivery of low quality goods or non-delivery at all.

It is estimated that weaknesses in public procurement management including vulnerability to corruption, are a global problem with approximately \$400 billion (Kshs 34.9 trillion) reported as being lost to bribery and corruption in procurement globally (Transparency International, 2014). In Kenya, the Public Procurement and Disposal Act seeks among other things to promote competition, promote the integrity and fairness of procurement and disposal procedures, increase

transparency and accountability the tendering process, and increase public confidence in those procedures (Public Procurement Oversight Authority, 2009).

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 2014), most of the tendered products/services in many government parastatals have a mark-up of 60 per cent on the market prices. The inefficiency and ineptness of overall procurement efficiency in many government parastatals contributes to loss of over Ksh.50 million annually (Tom 2009). According to Victor (2012), procurement expenditure could be minimized through proper implementation of procurement performance practices. A relatively well-developed body of research by Daniel (2010), Victor (2012) and Tom (2009) explored implementation of procurement practices in public sector organizations, Njeru (2015) examined factors affecting effective implementation of procurement practices in government parastatals, in general and left a major knowledge gap on determinants of tendering process in state corporations. It's hence against this background the study was undertaken to examine the influence of procurement management practices on service delivery in the state corporations in Kenya.

### **Objectives of the Study**

The purpose of the study was to influence of procurement management practices on service delivery in the state corporations in Kenya. The specific objectives were:-

- To establish how procurement methods influence service delivery in the state corporations in Kenya.
- To determine how resource allocation influence service delivery in the state corporations in Kenya.

- To examine how staff competency influence service delivery in the state corporations in Kenya
- To find out how records management influence on service delivery in the state corporations in Kenya.

## LITERATURE REVIEW

### Theoretical Review

#### Auction Theory

This theory will guide the study in investigating the relationship between procurement methods and service delivery in the state corporations in Kenya. According to Gunnar Alexandersso and Staffan Hultén (2006) open tendering when contracting out public services is similar to performing common value auctions with a sealed-bid procedure. However, the price of the bidders may not be the only factor (although often the most important) to take into account. The procuring public authority typically evaluates the competing bids regarding both price and quality once the bidding process has ended. He argues that, competitive tenders combine traits, advantages, disadvantages and risks, of both auctions and beauty contests.

Hultkrantz and Nilsson (2011) claim that a pure auction is better than a beauty contest because it offers a more market-oriented, objective and transparent method for awarding licenses. Their strongest argument in favour of open tendering is that firms in the auction process, by means of offering more and more money, reveal information about their estimation of the value of the good. Hultkrantz and Nilsson (2011) point out several disadvantages with beauty contests: the process is slow and cumbersome, in particular if the final decision is challenged in court, it is difficult to achieve transparency, and many criteria are not objective or difficult to quantify. They further suggest that, even when social concerns are important, an open tendering is a better alternative since it can also include minimum requirements and can allow both positive bids in attractive regions and negative bids in unattractive regions. This helps

in supply chain performance because the best supplier or bidder depending on the criterion that will be will be selected.

#### Competency Theory

To investigate the influence of staff competency on service delivery in the state corporations in Kenya, the study will be based on competency theory. The work of McClelland & McBer in the 1980s established the competence theory. The authors defined competency as the underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation. Since then a number of competency frameworks have been developed by different procurement performance in various organizations, Crawford (as cited in Boyatzis, 1982 & Spencer, 1993), puts a model of competence that integrates knowledge, skills, demonstrable performance, and core personality characteristics, noting the last, personality characteristics, as challenging to develop and assess through training. She argues that two of the most influential procurement management standards established, are addressed only the knowledge aspect of competence while a third, Australia's National Competency Standards, draws from knowledge but focuses only on demonstrable service delivery

Crawford, (2010) study found out that procurement managers "do not necessarily have the required supply chain management competence perform the full activities required to promote and implement the changes that they are leading as part of their organizations. Interest in procurement management competence stems from the very reasonable and widely held assumption that if people who manage and work on organizations are competent in procurement, they will perform effectively and that this will lead to successful procurement and successful organizations (Beer, 1990; Smith, 1976).

Competence is generally accepted, however, as encompassing knowledge, skills, attitudes and behaviors that are causally related to superior job

performance. Crawford (as cited in Boyatzis, 1982 & Spencer, 1993), stated that professional competence in procurement management is attained by combination of knowledge acquired from training and its subsequent application and other skills developed in the course of work. Previous management studies have investigated the impact of competency on procurement performance. Dainty (2004) have argued for a competency based performance model for supply chain managers where managerial behavior input is appraised and nine performance indicators for PM competency are developed to comprise team building, leadership, decision-making, mutuality and approachability, honesty and integrity, communication, learning, understanding and application, self-efficacy, and maintenance of external relations. In the context of public procurement policy compliance it is assumed that if the procurement manager and the supply chain management team have all the required procurement competence, will influence in the state corporations in Kenya.

### Resource – Based View and Dynamic Capability Theory

Resource – Based View (RBV) and Dynamic Capability theories are the key theoretical foundations for understanding how sustainable competitive advantage can be attained in organizations. RBV is an economic theory that suggests that firm performance is a function of the types of resources and capabilities controlled by firms (Barney, 2008).

Barney (2008) also describes resources as tangible and intangible assets a firm uses to conceive of and implement its strategies; and capabilities as a subset of resources that enable a firm to take advantage of its other resources. Eisenhardt & Martin (2010) argues that availability of substitute resources tends to depress returns of the holders of a given resource and this justifies the reason why they should be shielded from competitors. By conducting an effective value chain analysis, an

organization is able to identify these scarce resources that give it competitive advantage and apply appropriate mechanisms to protect the resources from competitors

Dynamic capability is an extension of the RBV perspective defined as the firm’s ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments to attain new and innovative forms of competitive advantage (Teece *et al.*, 2010). The Dynamic Capabilities Framework helps identify the factors likely to impact enterprise performance. It is gradually developing into a (interdisciplinary) theory of the modern corporation (Teece, 2007). Dynamic capabilities have lent value to the RBV arguments as they transform what is essentially a static view into one that can encompass competitive advantage in a dynamic context (Barney, 2008). Dynamic capabilities are “the capacity of an organization to purposefully create, extend or modify its resource base” (Teece, 2010).

### Conceptual Framework

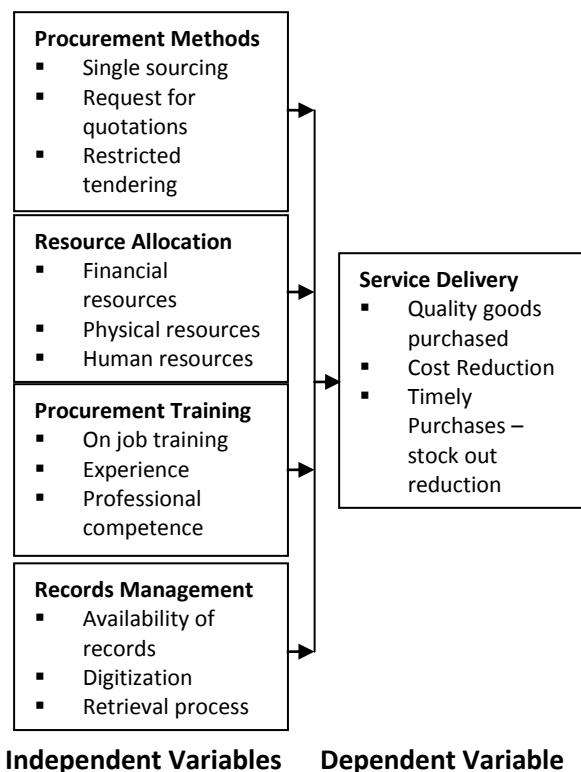


Figure 1: Conceptual Framework

## **Procurement Methods**

This study looked at three procurement methods that included open tendering, request for quotation and request for proposals. It is important to note that the basic principles underlying a good procurement process entails the element of accountability, transparency and integrity. In this case, these principles ensure that effective mechanisms are put in place for the purposes of enabling procuring entities spend carefully the available limited resources. This is done since they recognize the fact that they are accountable to members of the public and competitive supply that requires the procurement to be carried out through competition.

## **Resource Allocation**

According to Leni *et al.* (2012), there is a growing recognition that, despite significant increases in resources, public service delivery is still falling in many developing countries. Financial management, in service organizations has been a constraint and an obstacle to other functions that contribute to service delivery. There is a need to distinguish “good costs” that improves organizational capabilities and quality service delivery from “bad costs” that increase bureaucracy hence becoming obstacles to service delivery (Sun & Shibo, 2015). Financial accountability using monitoring, auditing and accounting mechanisms defined by the country legal and institutional framework is a prerequisite to ensure that allocated funds are used for the intended purposes (Oliveira-Cruz, *et al.*, 2011).

## **Procurement Training**

According to the Public Procurement and Disposal Act 2015 section (7) procurement shall be staffed with procurement professionals whose qualifications have been recognized by the authority. The authority shall facilitate the establishment of an examination body for procurement professionals and shall ensure support for their professional association. These means that learning is knowledge and knowledge is power

(Ayoti, 2012). There is need for agencies to train their staff and to enhance the effectiveness of tendering process. The training offered must be of quality to ensure effective implementation of tendering process. If this is lacking then the tendering process will be adversely affected (Husband & Bolles 2007).

## **Records Management**

The procurement management of a public entity and organization heavily depends on the records in decision making on the procurement issues. Every day procurement team in the state corporations in Kenya, as indeed in other countries rely on records to make these decisions. When the records are disorganized, when some of these records are missing or lost, this is likely to lead to poor decisions, and sometimes delayed decisions and the citizens will be denied quality decisions thus the efficient services (Kombo & Tromp, 2011).

According to Ayoti (2012) the government cannot achieve good governance without efficient record keeping systems and services. Relationship between efficient records keeping and administration of justice as everybody knows, efficient court services provide one of the strongest foundations for good governance. In turn, an efficient court system must of necessity be based on effective record keeping systems and services. Proper record management is necessary for effective tendering. Poor record management creates confusion and problems in future referencing.

## **Empirical Review**

An empirical review in research methodology is when the writer reviews the information and theories currently available concerning the topic and the historical background of the topic. Different researchers have discussed how the different variables interact and influence the service delivery. According to Mahmood (2010), study on Public procurement and corruption in Bangladesh: confronting the challenges and opportunities Public procurement; he states that it is increasingly recognized as a profession that plays a key role in

the successful management of the public resources, and a number of countries have become increasingly aware of the significance of procurement as an area vulnerable to mismanagement and corruption and have thus made an effort to integrate procurement into a more strategic view of government efforts. As part of the efforts to adopt a long term and strategic view of their procurement needs and management, most countries have resorted to using their annual procurement plans as a possible problem solver. Accountability constitutes a central pillar to public procurement. Without transparent and accountable systems, the vast resources channeled through public procurement systems run the danger of being entangled with increased corruption and misuse of funds allocated.

A study by Davis (2014), "Procurement Practices Influencing Service Delivery: A Case of Kenya Power," established that not always should allocations emphasize be on the role of financial aspects of procurement performance. In particular, perceptions of the financial viability of influencing procurement management are expected to play a crucial role in shaping the degree to which regulations are acted upon since socially responsible methods are often perceived of as being inherently more expensive than other methods. Given the tight budget constraints and countervailing objectives faced by most public sector organizations, perceptions regarding the cost-effectiveness due to better management are expected to play a particularly important role.

Mahmoodzadeh, Jalalinia, and Yidzi (2009) suggest that labor outsourcing have been among the most significant transformations occurring in the organization of work across all industrialized world. Mahmoodzadeh et al. (2009) maintains that outsourcing is where the outsourcing service provider provides the service in the performance of the contract and the workers typically work under the directions of outsourcing service provider management. In addition, Latham, Shaw, Chandler

and Calleja (2012) provide details of the HR outsourcing deal between the BBC and Capita. The deal is worth \$100m and involved the transfer of around 260 staff from the BBC to Capita and was expected to save the BBC \$50m. The service outsourced included recruitment, human resource, administration, assessment and outplacement, training and development, relocation, and disability access services (Latham et al., 2012).

Various studies have been conducted by researchers in Kenya to check on various factors influencing procurement in organizations. For instance, Chilikona and Muturi (2015) evaluate the factors affecting the performance of the procurement function among public technical training institutions in Kisumu County Kenya. Primary data was collected by using questionnaires. Data was analyzed using quantitative analysis by employing both descriptive and inferential statistics. The study concluded that information technology, ethics and staff competency had a positive effect on performance of the procurement function in technical training institutions. This study would not investigate technology, but would focus on the performance of procurement function in organization.

## **METHODOLOGY**

The study employed descriptive research design as according to Robson (2012) it reports the study the same way as it is without variations from the collected data. The study was conducted at the Kenya Airports Authority. The target population comprised of 106 employees drawn from different levels of the organization. The findings were analyzed using descriptive statistics. The reason the Kenya Airports Authority was selected is that publications had showed there was sheer mismanagement within organization. The study used questionnaires to collect primary data from the respondents as research tools (Kothari, 2005). The questionnaire, which was semi-structured, was administered through drop and pick-later method to the sampled population. The study collected



both qualitative and quantitative data and was analyzed using both quantitative and qualitative methods with the help of (SPSS). The Multiple Regression model that aided the analysis of the variable relationships was as follows:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ ,

Where;

Y= Service delivery in state corporations (dependent variable);

$\beta_0$ = constant (coefficient of intercept);

X1= Procurement Methods (independent variable);

X2= Resource allocation (independent variable);

X3= Procurement training (independent variable);

X4= Records management (independent variable);

$\epsilon$  = Error term;  $\beta_1... \beta_4$ = regression coefficient of four variables.

## RESULTS

Responses were given on a five-point Likert scale (where 1 = strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). The scores of 'strongly disagree' and 'disagree' have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of 'Neutral' has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of 'agree' and 'strongly agree' had been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

### Procurement Methods

The study sought to assess the influence of procurement methods on service delivery in the service delivery in the state corporations in Kenya.

As tabulated, a majority of respondents were found that the organization ensured that there was open tendering to increase the needed experience from the tenderers (2.987); The organization offered the open tendering to encourage applications from the qualified tenderers (3.223); The organization ensured that open tendering led to fairness and transparency in the tendering process (2.902); The organization ensured that the single sourcing of suppliers led to reduction of procurement costs in the tendering process (3.452); The organization ensured that the single sourcing of suppliers enhanced timely delivery of goods and services (2.762). The organization ensured that the request for quotations from suppliers led to reduction of procurement costs in the tendering (4.214); The organization ensured that the single sourcing of suppliers enhanced timely delivery of goods and services (3.256); The organization ensured that the request for quotations from suppliers led to reduction of procurement costs in the tendering process (3.653); The organization offered the request for quotations from supplier to encourage applications from the qualified tenderers (2.653).The study findings indicated that that procurement methods influenced tendering process in the organization. The study findings were in agreement with literature review by Kiage (2013) notes that request for quotations does not allow for competition in the county's procurement department. Request for quotations involves the entity lending itself to irregularities because the procuring entity selects the suppliers, service providers or contractors that it wants to send a request for quotations.

**Table 1: Influence of Procurement Methods on Service Delivery**

Procurement Methods	Mean	Std. Dev
The organization ensures that there is open tendering to increase the needed experience from the tenderer	2.987	1.237
The organization offers the open tendering to encourage applications from the qualified tenderers	3.223	1.379
The organization ensures that open tendering lead to fairness and transparency in the tendering process	2.902	1.908
The organization ensures that the single sourcing of suppliers leads to reduction	3.452	1.114

of procurement costs in the tendering process		
The organization ensures that the single sourcing of suppliers enhance timely delivery of goods and services	2.762	1.238
The organization ensures that the request for quotations from suppliers leads to reduction of procurement costs in the tendering process	4.214	1.908
The organization offers the request for quotations from supplier to encourage applications from the qualified tenderers	3.256	1.238

**Procurement Training**

The study sought to assess the influence of procurement training on service delivery in the service delivery in the state corporations in Kenya. As tabulated, a majority of respondents were found to highly agree the workforce needed external guidance with regard to the in the public sector (3.897); procurement teams were well acquitted with the procurement act 2015 (3.219); the procurement requirements were such that call for procurement tasks demand professionals with high level strategic , tactical as well as operational skills to improve order fulfillment (4.218); the organization staff had been trained on the concept of in the public sector (3.290); there was need for additional skills and competencies on in the public sector (3.872). The organization comprehensively and adequately trained staff on the public sector (3.890); employees received induction training on procurement processes (4.210); The organization had the capacity to enhance further training

(regular update of skills) on the public sector (4.008); The staff had the skills to enforce the public sector (3.982); the organization had initiated and developed programs specifically for organization to develop knowledge on in the public sector (3.884). The study findings implied that staff competency influence tendering process in the organization. This finding supports 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 Procurement Training on Service Delivery in the State Corporations**

Procurement Training	Mean	Std. Dev
The workforce needs external guidance with regard to the	3.897	1.226
Procurement teams are well acquitted with the procurement act 2015	3.219	1.120
The organization staff has been trained on the concept of in the public sector	3.290	1.902
There is need for additional skills and competencies on in the public sector	3.872	1.325
The organization comprehensively and adequately train staff on in the public sector	3.890	1.532
Employees receive induction training on procurement processes	4.210	1.568
The organization has the capacity to enhance further training (regular update of skills) on	4.008	1.008
The staff have the skills to enforce in the public sector	3.982	1.228
The organization has initiated and developed programs specifically for public universities to develop knowledge on in the public sector	3.884	1.528

## Resource Allocation

The study sought to assess the influence of resource allocation on service delivery in the service delivery in the state corporations in Kenya. As tabulated, a majority of respondents were found to highly agree that there was provision of competitive wages and benefits for procurement personnel (3.678); there was adequate funding for procurement processes (3.890); all activities were captured in the planned budget (3.864); Fund disbursement for procurement processes was timely (2.998); the organization used IT in the Procurement process (3.880). The firm ensured that orders processing is in time to enhance customer satisfaction (2.876); there was timely processing of payment to suppliers (3.909). Most bidders had adequate capital to undertake contracts they bid for (4.215); most

bidders had capital resources to finance contract if awarded (3.432); the organization timely paid for tenders performed (3.998). It was deduced from the study findings that financial resources influenced the organization. The study results were in tandem with the findings by Bedey (2008) who asserts that overall, enterprises employing organized procedures, resources and systems to consistently employ and align all procurement strategies in a consistent and integrated method outperformed peers in cost savings, expenditure under management, compliance, supplier integration, and greater contribution to enterprise value. Simms (2008) adds that most of the public entities lack clear accountability on how the financial resources provided impact on their performance therefore going against the fundamental principles of public procurement.

**Table 3: Influence of Resource Allocation on Service Delivery**

Resource Allocation	Mean	Std. Dev
There is sufficient and qualified procurement personnel	3.678	1.653
There is adequate training and simulation for key stakeholders	3.890	1.907
There is provision of competitive wages and benefits for procurement personnel	3.864	1.238
There is adequate funding for procurement processes	2.998	1.753
All activities are captured in the planned budget	3.880	1.168
Fund disbursement for procurement processes is timely	2.876	1.330
The organization uses IT in our Procurement process	3.909	1.994
There is timely Delivery of goods and services	4.215	1.004
There is timely processing of payment to contractors	3.998	1.852

## Service Delivery

Findings revealed improved service delivery across the 5 year period running from the year 2011 to 2015. Quality of goods purchased recorded positive growth with a majority affirming to less than 10% in 2011 (42.3%) and 2012 (37.7%), to 10% in 2013 (36.1%) then more than 10% in 2014 (41.1%) and 2015 (37.5%). A similar trend was recorded in Cost reduction, growing from less than 10% (44.1%) in 2011, to more than 10% in 2013 (36.4%), 2014 (40.4%) and 2015 (37.3%). Timely Purchases-stock out reduction further recorded positive growth with a majority affirming to less than 10% in 2011

(37.9%) and 2012 (35.9%), to 10% in 2013 (35.9%) and 2014 (35.3%) then by more than 10% in 2015 (36.2%). It was deduced from the findings that key procurement performance indicators had considerably improved as influenced by among other procurement management attributes, the influence of procurement methods, resource allocation, procurement training and records management. Quality of goods purchased and Timely Purchases-stock out reduction have particularly improved by at least 10 percent across most of the institutions pointing to the significance of procurement management in the organization.

**Table 4: Procurement Performance**

<b>Quality of goods purchased</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Increased by less than 10%	42.3	37.7	31.6	30.7	29.5
Increased by 10%	31.8	32.9	36.1	28.2	33
Increased by more than 10%	25.9	29.4	32.3	41.1	37.5
<b>Cost reduction</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Increased by less than 10%	44.1	35.2	33.4	25.7	27.1
Increased by 10%	31.7	32.6	30.2	33.9	35.6
Increased by more than 10%	23.5	32.2	36.4	40.4	37.3
<b>Timely Purchases-stock out reduction</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Increased by less than 10%	37.9	35.9	31.2	25.7	33.1
Increased by 10%	36.2	31.3	35.9	35.3	30.7
Increased by more than 10%	25.9	32.8	32.9	39	36.2

**Multiple Regression Analysis**

**Table 5: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
	.866	.749	.728	.000

**Table 6: ANOVA**

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	26.886	4	6.7215	192.042	.000
Residual	2.857	81	.035		
Total	29.743	85			

NB: F-critical Value = 8.865;

From the study findings on the regression equation, taking all factors into account (independent variables) constant at zero service delivery in the state corporation would be 13.890. The data findings analyzed also showed that taking all other independent variables at zero, a unit change in procurement methods would lead to a 0.822 change in service delivery in the state corporation; a unit change in procurement training would lead to a 0.789 change in service delivery in the state corporation, a unit change in resource allocation would lead to 0.728 change in service

delivery in the state corporation and a unit change in records management would lead to 0.690 change in service delivery in the state corporation. This inferred that procurement methods contributed most to service delivery in the state corporation. Based at 5% level of significance, procurement methods had a .000 level of significance; procurement training showed a .003 level of significance, resource allocation show a .005 level of significance and records management showed a .008 level of significance hence the most significant factor was procurement methods.

**Table 7: Regression Coefficient Results**

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	$\beta$	$\beta$		
	Std. Error			

(Constant)	13.890	1.759		7.893	.000
X <sub>1</sub> _Procurement Methods	.822	.119	.665	6.854	.000
X <sub>2</sub> -Resource Allocation	.789	.147	.654	5.345	.003
X <sub>3</sub> _Procurement Train.	.728	.171	.455	4.234	.005
X <sub>4</sub> Records Management	.690	.178	.332	3.856	.008

## CONCLUSION

The study concluded that procurement methods was the first important factor which influences service delivery in state corporations in Kenya. The regression coefficients of the study showed that procurement methods had a significant influence on service delivery in state corporations in Kenya in Kenya. This implied that increasing levels of procurement methods would increase the levels of service delivery in state corporations in Kenya.

The study concluded that resource allocation was the second important factor which influences service delivery in state corporations in Kenya. The regression coefficients of the study showed that resource allocation had a significant influence on service delivery in state corporations in Kenya in Kenya. This implied that increasing levels of resources allocation would increase the levels of service delivery in state corporations in Kenya.

Further, the study concluded that procurement training was the third important factor which influences service delivery in state corporations in Kenya. The regression coefficients of the study showed that procurement training has a significant influence on service delivery in state corporations in Kenya in Kenya. This implied that increasing levels of procurement training would increase the levels of service delivery in state corporations in Kenya.

Finally, the study concluded that records management was the fourth important factor which influences service delivery in state corporations in Kenya. The regression coefficients of the study showed that records management has a significant influence on service delivery in state corporations in Kenya in Kenya. This implied that increasing levels of records management would increase the levels of service delivery in state corporations in Kenya.

## RECOMMENDATIONS

The study recommended that the organization need to identify the most appropriate procurement methods to enhance service delivery. There is need to have an open tendering to increase the needed experience and qualified tenderers, lead to fairness and transparency in the tendering process. The organization should ensure that that the single sourcing of suppliers leads to reduction of procurement costs in the tendering process and enhance timely delivery of goods and services.

To enhance service delivery in the state corporations, there is need to have sufficient and qualified procurement personnel with enough training assessment methods to enhance compliance 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 to boost

The study recommended that there should be sufficient and qualified financial management personnel to enhance service delivery in the state corporations. There should be adequate financial training and provision of competitive wages and benefits for procurement personnel. There is need for adequate funding for procurement processes. All activities should get captured in the planned budget. They participate in material order negotiations through the purchasing department, quality control department, manufacturing department, representative team. There should be fund disbursement for procurement processes timely and payment to contractors to enhance procurement performance in the firms.

There is need to enhance records management to boost service delivery in the state corporations in Kenya. There is need that the records are created by authorized officers, referenced and copies filed in relevant files. All personnel in the department should be vetted and therefore cannot manipulate records. The documentation of records should be creative as there is need to have a systematic managing creation of records.

### **Areas for Further Research**

The study was a milestone for further research in the field of procurement performance in state corporations in Africa and particularly in Kenya. The

findings demonstrated the important factors for enhancement which include; procurement methods, resource allocation, procurement training and records management. The current study should therefore be expanded further in future in order to determine the effect of procurement legal framework on procurement efficiency in government parastatals. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other government institutions and public sector organizations in Kenya and other countries in order to establish whether the explored factors can be generalized to affect procurement efficiency in the public sector.

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