THE EFFECTIVENESS OF PROCUREMENT PRACTICES ON PERFORMANCE OF COUNTY GOVERNMENTS IN KENYA: A STUDY OF KERICHO COUNTY GOVERNMENT

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A RESEARCH PROJECT REPORT SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES FOR PARTIAL FULFILMENT FOR THE CONFEREMENT OF MASTER DEGREE IN PROCUREMENT, LOGISTICS AND SUPPLY CHAIN MANAGEMENT, OF SCHOOL OF BUSINESS AND ECONOMICS, DEPARTMENT OF MANAGEMENT SCIENCE, KISII UNIVERSITY

NOVEMBER, 2018
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DEDICATION

I dedicate this research project to my parents for their tireless efforts to support. I would also like specifically to dedicate this research project to my other family members for their valuable support which has enabled me to accomplish development of this research project.
ACKNOWLEDGEMENT

I would like to thank the Almighty God for availing an opportunity and strength to pursue my education. I sincerely acknowledge the assistance of my supervisors Prof Ngacho Christopher and Dr Stella Omari for their patience and their guidance which ensured successful completion of the research project. I appreciate my parents for giving me good environment to write this research project. My appreciation also goes to the entire community of Kisii University for the favorable learning environment. Finally much appreciation goes to my respondents who manage to get time to fill the questionnaires for this research.
ABSTRACT

Procurement concept has dominated most of the County government’s activities because of the value attached to the role of procurement in enhancing the performance of County governments. The research seeks to investigate the effectiveness of procurement practices on performance of Kericho County. The following objectives guided the study: To describe the effectiveness of procurement planning, to examine the effectiveness of professionalism, to explain the effectiveness of financial management, and to establish the effectiveness of tendering on Kericho County government’s performance. The study was guided by three theories and the main theory was principal-agent theory. The study adopted descriptive research design. Census technique was adopted to select research participants. The study population comprised of 75 County staff comprising: head of procurement and procurement staff including senior managers, middle level managers, and support staff as well as heads of other departments and budget committee members. Primary data was collected using close ended questionnaires. A pilot study was conducted at Nakuru County government before the main study to determine potential weaknesses in the data collection instruments. Cronbach Alpha was utilized to measure coefficient of reliability which was found to be 0.79. Frequency distribution tables and bar graphs were used in data presentation. Descriptive statistics and inferential statistics that is multiple regression models was used to analyze data. The findings of the study showed that the effect of procurement planning and professionalism on performance of County government of Kericho was positively correlated and statistically significant. However financial management and tendering had inverse but positive effect on performance of County government of Kericho. The study recommended that all the relevant stakeholders with regard to procurement should be involved in procurement of goods and services, capacity building for procurement staff is necessary, financial management techniques should be improved and that tendering process should be open, transparent and fair regardless of the type of goods or services to be procured. The study further recommends that further studies should be done in the same area but in other counties as the findings may not be the same.
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LIST OF ACRYONIMS

AfriCOG: Africa Centre of Open Governance

CIPS: Chartered Institute of Purchasing and Suppliers

GOK: Government of Kenya

NACOSIT: National commission for Science Technology and Innovation

PAR: Procurement Assessment Report

PP&ADA: Procurement and Asset Disposal Act

PPDA: Public Procurement and Disposal Act

PPOA: Public Procurement Oversight Authority

TISA: The Institute for Social Accountability

WB: World Bank
CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The counties of Kenya are geographical units envisioned by 2010 constitution of Kenya as a unit of devolved government. With the devolution of government administrations to the County level, procurement departments have not been left aside (Karanja, 2015). Performance standards at Kericho county attracts public concern since it is concerned with provision of health services, agricultural services and goods, educational services, security services which are all key in day to day lives of its citizens. Quality service delivery may be enhanced by well procured goods and services. (Kihara, 2009). Some of the key aspects in managing county government which may results in quality services include transparency, accountability and integrity which can be achieved through but not limited to proper planning, employing professional staff, proper financial management, fairness and openness in tendering process.

Caldwell, Roehrich and Davies (2009) argued that proper procurement planning is essential for an organization to procure right quality goods. Detailed specifications are necessary from all stakeholders involved. These stakeholders could be requesting entity, end users, procurement department, technical experts and even suppliers to give relevant inputs on specific requirements. A specification whether simple or complex, depends on the nature of procurement. He further argued that effective and efficient procurement process can only be achieved by proper planning and competent staff. PPDA (2005), Public Procurement Act requires procureing entities to assess whether or not a particular procurement is necessary, which should take into account; the need to
ensure that the procuring entity uses its resources effectively and efficiently; how the proposed expenditure would contribute to the entity’s desired output, and the procuring entity’s overall procurement performance. A procurement plan helps procurement entities to achieve maximum value for expenditure and enable entities to identify and address all relevant issues pertaining to a particular procurement before they can publish their procurement notices to potential suppliers of goods and services.

Kumar (2014) lack of integrated planning process is a serious shortcoming as it leads to many supply chain inefficiencies such as high safety stock, difficulties in managing seasonal demand patterns, insufficient demand forecasting, long planning horizons and inability to capture supply constraints concerning capacity or materials availability.

Mullins (2003) public procurement should enable public entities deliver efficient services to the public but public procurement inefficiencies which include but not limited to delays in preparations and submissions of department procurement plan had led to delay in preparation of overall procurement plan.

In public procurement, professionalism refers to education levels, workforce qualifications and professionalism approach in handling business activities (Russell, 2004) competent staff would ensure that items and services are procured as and when the need is expected. The key contributors to staff competence include training of new employees in procurement department, enhancement of team work among procurement staff, acquaintance with the procurement law by the procurement team and employment of qualified and competence personnel in the procurement department. It is reported that tax payer’s money has been lost due to claim for damages from potential suppliers, poor quality work as a result of contracts awarded without
following due process by incompetent purchasing professionals (Juliana, 2013). Like any other
developing countries, the procurement professionals in Kenya have faced many challenges. The
main obstacles include: lack of support by top management in the government; political will,
inadequate capital, lack of trained personnel in the public sector and attitude of staff in public
sector. Other contributory factors include lack of accountability and transparency, poor
knowledge and skills amongst bidders/contractors and challenge in the implementation of PPDA

Lyson and Farrington (2012) concluded that procurement as a profession should be
knowledgeable skilled based on theoretical knowledge, prolonged training and education,
competence based on test and examinations and adherence of professional code of ethics. OECD
(2007) further asserted that professionalism depends on staffing, knowledge, skills and
capabilities of the human resources and controls in the system that influences human behavior.
Hence any effective procuring system requires that the procuring entity is staffed with
procurement professional body.

According to Waddell (2000) financial management in public organization is concerned with
ensuring funds are available when needed and that they are obtained and used in the most
efficient and effective way so as to benefits its citizens. Another aspect of financial management
is the flow of funds which relates to timeliness of receipt of funds for meeting various
requirements in the procurement process.

Gitman (2011) defined financial management as the concepts of time, money and risk and how
they are interrelated. He further asserted that the individual level, financial management involves
tailoring expenses according to the financial resources of the individual while from the
organizational perspective the process of financial management is associated with financial planning and financial control. Modern approach of financial management basically provides a conceptual and analytical framework for financial decision making. It emphasizes on effective use of funds.

Tendering is a procurement procedure whereby potential suppliers are invited to make a firm and unequivocal offer on the price and terms in which they will supply specified goods, services or works which an acceptance shall be the basis of subsequent contract. The main aim of tendering process is to ensure that government funds are used in the most efficient and economical way so as to ensure that the best value of money is attained through timely and promptly quality goods and services. Efficiency of tendering is ensured through proper laws, rules and regulations which hence ensure accountability and transparency in tendering process. In Kenya tendering is guided by the public procurement act (2005) which states that tendering should be based on the principle of Competitiveness, fairness and accessibility, transparency, openness and probity.

Raymond (2008) argued that procurement is meant to create efficiency, effectiveness and safeguard public funds with strict adherence to the existing laws and procedures regarding execution. Kabaj (2003) contend that inefficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources.

Rotich (2011) contends that evaluation of organization’s performance in terms of procurement have been a challenge to many professionals. Some of the aspects mentioned in measuring performance include efficiency, effectiveness and service delivery.
1.2 Statement of the Problem

Devolved governance was ideally expected to bring resources to the local level and improve the standard of living among Kenyan citizens. Kenyan constitution 2010 article 10 chapter 6 outlined the objectives of devolution which include recognition of Kenya’s diversity, promoting: national unity, democracy and accountability, economic and social development and finally equitable distribution of resources.

Although this is the case, Kenya government loses about one third of the national budget to corruption, with 80 percent of all corruption cases before the Kenya Anti-corruption commission being about procurement (AfriCOG, 2015). Other studies confirm that the PPDAs’ objectives of weeding out inefficiencies in the procurement process removing patterns of abuse, and meeting the desire of the public purchase to obtain adequate value of the expenditure of public funds have never been fully achieved in practice. After five years of devolution, some counties have been criticized for corruption cases, stalled projects, under-development and massive wastage of public resources. All these aspects could be as a result of weak procurement management practices. Some of the notable procurement scandals include: National Youth Service scandal, the National Security Social Fund medical cover scheme scandal, the SGR among others.

Ochieng et al. (2015), the management of County projects faces varied challenges some of include: The organization structure in managing County projects and project identification criteria. Despite the existence of devolved funds internal inefficiencies in their management have made them not to achieve the desired results (Ogolla and Kinyua, 2013). An audit carried out by TISA shows that KShs 242 million of the KShs 1.2 billion allocated to the County in the period 2010/2011 is either misappropriated or unaccounted for. Without proper procurement practice in
place, public funds may not be adequately utilized at the devolved units. Thus there is need to examine the procurement practices in place and their effectiveness on County government performance. The necessity of this case study is not only limited to its applicability to the present challenges that Kenya is facing in its procurement system, but to other countries which are facing similar experience and problems in procurement. Most importantly this study will focus on procurement practices; procurement planning, professionalism, financial management, tendering and performance of County governments.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of the research was to establish the effectiveness of procurement practices on performance of County governments; a study of Kericho County.

1.3.2 Specific Objectives

The study was guided by the following objectives;

i. To determine the effectiveness of procurement planning on performance of County government of Kericho.

ii. To examine the effectiveness of professionalism of procurement staff on performance of County government of Kericho.

iii. To determine the effectiveness of financial management in procurement on performance of County government of Kericho.

iv. To establish the effectiveness of tendering on performance of County government of Kericho.
1.4 Hypotheses

$H_01$ There is no significant effectiveness of procurement planning on performance of County governments of Kericho.

$H_02$ There is no significant effectiveness of professionalism on performance of County governments of Kericho.

$H_03$ There is no significant effectiveness of financial management on performance of County governments of Kericho.

$H_04$ There is no effectiveness of tendering on performance of County governments of Kericho.

1.5 Significance of the study

The findings of the study will be of great importance to both central and county governments in that it would enrich policy development regarding procurement services. The results of the research will enable the government to incorporate some of the salient issues that may affect future procurement service deliver.

Secondly contractors will benefit from the findings of the study in that some of the issues discussed directly influence their mode of transaction with the County governments. Policies and procedures of tendering are very crucial in the execution of procurement activities by the contractors.

Finally the findings of the study will enrich the existing literature related to the same area and this will greatly help future researchers and academician in fulfilling their research endeavors. The findings will add knowledge about the procurement processes
1.6 Scope and Justification of the Study

The study was confined to the procurement practices which include procurement planning, professionalism, financial management and tendering. The methodology was confined to descriptive research design guided the study. The study was carried out between Januarys to October 2018. The research cost amounted to Kenyan shillings 100,000. The study was carried out in County government of Kericho only which was a representative of the 47 counties in Kenya.

1.7 Limitations of the study

The study was limited by unwillingness by respondent to respond to asked questions, ethics of individual staff and lack of corporation by top management. This was addressed by assuring respondents of the confidentiality of the information they provided and that they do not need to disclose their identity.

1.8 Assumptions of the study

The study was based on the assumptions that the findings of the study were a good representative of other counties in Kenya. It was also assumed that the respondents gave true and reliable information on County procurement practices.
1.9 Operational and Definition of Terms

**Effectiveness**  
Capability of producing desired results or the ability to produce desired output.

**Procurement**  
Is the act of obtaining or buying goods or services. Procurement often carried out by the process of tendering, rather than buying a product directly from a seller.

**Procurement practice**  
Refer to adopting philosophies, methods and processes that will make your organization best.

**Tendering**  
Is a process of bidding after an organization have identity and specify its requirements.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Framework

This section covers theories related to procurement and performance. The study will be guided by three theories which include: principal-agency theory being the main theory, contingency theory and stakeholder’s theory.

2.1.1 Principal- Agency Theory

Principal Agent Model (2002) agency principal theory explains the relationship between various stakeholders in and organization such as citizens, government officials and employees in the County government.

Health and Norman (2004) concluded that the relationship arises in that County government as is the custodian of public resources on behalf of the citizens. In this relation, County government is expected to be accountable and demonstrate transparency in the way public resources are spent. More specifically procurement entails parties who are engaged in contract facilitated by County government and may include different stakeholders such as political leaders, procurement staff, citizens, interest groups and national government. The theory further reveal the relationship between procurement department and other departments within the County government in that the procurement department facilitate the purchases for the principal departments.

According to this theory procurement including civil servants concerned with playing the agent role. In this study the promoter/client who authorizes and pays for the work done is the County
government, while the procurement officers will be the agents who will act on behalf of the employer who will carry out the procurement process and the contractors will be the successful bidders. Assumptions on agency theory include the efficiency of the principal operations depends on the agent acts, decisions are made by the parties to the relationship under act conditions of uncertainty and risk. Last assumption is that the principal and the agent have conflicting objectives to some extent. This theory will constitute the road map that guide this research from formulation of research questions, data collection, and conduct analyses to conclusion. Following the operational nature of procurement expenditure, decisions made must be taken by the organizational management (Agents) on behalf of the company owners (principal) under the power entrusted to them through their employment contracts. The principals and agents seek to maximise their utility through the same organization. As the shareholders seek to maximise their wealth through profits (dividends) made by the company, the management too seeks to maximise their utility by earnings. Because of the different roles of these two parties in the organization, the risk tolerance level differ however the risk level are normally reconciled in order for the company to operate well.

2.1.2 Contingency theory

Contingency theory is concern with formal and informal organizational structure which directly or indirectly affects the decision making processes in the said organizations. In this approach management is linked with the general system theory and then opens systems prospective. The open system prospective interprets the large organizations as dependent on the external environment; the contingency line is achieved when two or more elements of open system interact (Joan, 1958).
The theory also holds that there are different levels of fit such as technological, human capital quality management and decision making structures each with different performance levels. This then holds that the organization can move from one level of fit to the other gradually by laying out a strategic map which gives guidelines for the gradual change until it gets optimum level of fit which is equal performance of all fit points of the organization. This is the format used by ISO to ensure organizational performance and efficiency. This is the aspect adapt in public procurement to determine the level of fit attained by integrating various players in the procurement process.

An administratively-oriented capital budgeting control strategy is assumed to be consistent with an analytical style of management, a high degree of professionalism and a history of undistinguished investment outcomes. The firm’s financial status may influence the design and effort put on capital budgeting.

According to Axelsson, Jackovicka and Khedache (2002) more effort will be devoted to budgeting in an adverse financial situation, since it will no longer be as simple to find an acceptable budget and there will be a need for more frequent follow up. These arguments have been applied to capital budgeting procedures by Haka, Gordon & Pinches (1985). They argue that the implementation of sophisticated capital budgeting procedures is one of many means of coping with acute resource scarcity. Another argument is that since the main value of adequate investment rules is in distinguishing profitable from unprofitable projects, highly profitable firms are expected to derive less benefit from such techniques than would less successful firms with history of marginal projects.
2.1.3 Stakeholder Theory

In this theory, Freeman (1984) was seeking to explain the relationship between the companies and its external environment and its behaviour within this environment. The author set out his model as if a chart in which the company is positioned at the centre and is involved with stakeholders connected with the company. In this model, the company-stakeholder relationships are dyadic and mutually independent (Frooman, 1999). According Savage et al. (2004), the basic premises of Stakeholder theory are: the organization enters into relationships with many groups that influence or are influenced by the company, that is “stakeholders” in accordance with Freeman terminology; the theory focuses on the nature of these relationships in terms of processes and results for the company and for stakeholders, the interests of all legitimate stakeholder are of intrinsic value and it is assumed that there is no single prevailing set of interests. The theory focuses upon management decision making, explains how stakeholders try and influence organizational decision making processes so as to be consistent with their needs and priorities. In terms of organizations, these should attempt to understand and balance the interests of the various participants.

Friedman (2006) states that the organization itself should be thought of as grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. There is a clear relationship between definitions of what stakeholders and identification of who are the stakeholders. The main groups of stakeholders are: Customers, employees, local communities, suppliers and distributors (Friedman, 2006). This theory is fuelled by the realization that in contemporary business environment, it is not only the individual businesses that compete as solely autonomous entities, but also organizational procurement processes compete in the environment as well Drucker (1998). This fact increases the complexity
of identifying and defining the key stakeholders associated with the business processes. The stakeholder theory has been used as one of the primary theories to identify the key stakeholders in various organizational studies Tate; Ellram and Brown (2009). This theory was relevant in this study since it highlights the need for managing the relationships formed with suppliers and how such relationships impact the performance of the firms under the study. The theory guides procurement planning as it flows from the organization to relevant stakeholders who include suppliers and end users.

2.2 Empirical Review of Literature

2.2.1 Procurement Planning

Kabaj (2003) The complete procurement cycle begins with the procurement planning, a step closely linked with the budget process, then followed by the procurement initiation, bidder selection, notification of contract award, procurement commitment (contract signing) contract administration, receipt and acceptance of goods, works, services or consulting services and the storage and inventory management of the goods and supplies received. The procurement cycle may also involve administrative law. Procurement cycle starts with the identification of the procurement requirement and ends with the registration of the assets procured into the procuring entities records. It is the role and function of the head of procuring entity to ensure close coordination with the budget process, commitment control, finance and expenditure management and audit.

Mamiro (2010) defines procurement planning as the primary function that sets the stage for subsequent procurement activities. A good procurement plan will describe the process of appointing and contracting suppliers. According to his study, procurement planning involves first
need identification, need assessment, supplier selection, obtaining necessary approvals and determining their funding and finally scheduling time frames.

Kenard (2006) defines procurement planning as the purchasing function through which organizations obtain products and services from external suppliers. A good procurement plan goes further to describe process of appointing suppliers contractually which involve defining the items you need to purchase, defining the process of acquiring those items and scheduling the delivery times.

Lysons et al. (2008) a good procurement plan goes further to assess the buyer and ensures that a supplier has appropriate systems and procedures in place for monitoring and managing its outputs. The systems for detection and correction of defects are called quality control while those for prevention of defects are known as quality assurance which the buyer needs to check that the supplier has this in place. He further asserted that an important part of supplier evaluation processes touches on supplier’s quality management systems and philosophy. Additionally he confirmed that firms appraising quality of suppliers may find themselves looking at issues such as procedures for inspections and testing of purchased materials, accreditation with national and international quality standards bodies such as company standards, Association of Trade Standards, International Standards Organization (ISO).

Gallego (2011) argued that the success of a buying organization is highly dependent on how well the suppliers perform and most importantly the fact that the supplier and the buyer have the same idea of what satisfactory quality is. He further asserted that poor inspection of goods and services has resulted in non-delivery of certain items, under delivery or delivery of sub-standard goods in some instance it is not clear whether all the organization had established an inspection and
acceptance committee to ensure that procured goods and services were delivered as required more so the study concluded the performance of supplier is very often considered by comparison to firm’s performance though, they have financial and non-financial performance measurements.

In the intense business competitive environment, companies are relying more on their supply chain as a source of competitive advantage. Purchasing and supply management has achieved a higher level of importance.

Kumar (2014) lack of integrated planning process is a serious shortcoming as it leads to many supply chain inefficiencies such as high safety stock, difficulties in managing seasonal demand patterns, insufficient demand forecasting, long planning horizons and inability to capture supply constraints concerning capacity or materials availability. He further concluded that

Mullins (2003) public procurement should enable public entities deliver efficient services to the public but public procurement inefficiencies which include but not limited to delays in preparations and submissions of department procurement plan had led to delay in preparation of overall procurement plan. His finding revealed a positive relation between procurement planning and service delivery in local government systems in Uganda. He further asserted that the contribution of procurement planning in facilitating an effective and efficient service in public sector organization in both developed and developing counties. A procurement plan is influenced by a number of factors. These include the value of the procurement, the type of procurement whether is sensitive, unique, high risk or of strategic significance to the procuring entity. According to PPDA (2005), Public Procurement Act requires procuring entities to assess whether or not a particular procurement is necessary, which should take into account; the need to ensure that the procuring entity uses its resources effectively and efficiently; how the proposed
expenditure would contribute to the entity’s desired output, and the procuring entity’s overall procurement performance.

Kenard (2006) concluded that a procurement plan had the potential of cutting cost, shortening timescales and enhancing stakeholder’s relationships, reducing risks and improving overall performance. He further argued that procurement planning is perceived in terms of quality, delivery, cost and flexibility of procurement process which have influence on competitive capability of the firm in meeting customer requirements.

According to Basheka (2008) procurement planning has diverse implications on procurement performance. Poor planning and management was found to be a challenge facing public procurement processes which included needs not well identified, estimated unrealistic budgets, inadequacy of the skill of staff responsible for procurement and non-conformity to procurement plans (Mamiro, 2010).

Public procurement and disposal act 2005 requires all procuring entities to prepare a procurement plan by the beginning of each financial year and monitors its implementation to ensure its adherence before incurring any public. However according to Auditors general report (2013) most counties have had unplanned spending or ineffective use of the existing plan. The findings further noted over estimations of cost in some instance which compromise the value for money principle.

Kabaj (2003) contend that management of public procurement process is one of the functions that have probably a wider implication in ensuring good governance because all government departments charged with providing services are dependent on this process. He further asserted that reforming and strengthening systems of public procurement must be given a high priority in
the efforts to improve systems of governance in the African countries. He further concluded that procurement 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 budget and to ensure that procurements do not proceed unless there are funds to pay for them. He further implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with procurement law. Apiyo and Mburu (2014) examined the factors that affect procurement planning in County Governments in Kenya a case study of Nairobi City County with an aim of making recommendations on proper procurement planning. The study aimed to establish how management support, staff competence, Information Communication Technology (ICT) tools, and budgeting procedure affect procurement planning. A census was conducted where all the 103 staff in procurement department was issued with questionnaires. Data was collected using self-administered questionnaires to collect data. The data collected was analyzed using quantitative and qualitative techniques. The study concluded that, inadequate competencies of procurement staff, lack of management support, ICT tools and budgeting procedures affect procurement planning. Finally, the study recommended a further research to be carried out in other counties to find out if the same results can be obtained. John and Kenya (2016) sought to establish the factors that influence procurement planning in public secondary schools in Migori County. The specific objectives of the study were to determine the effect of staff competency, budgeting procedures, cost estimation and ethics in procurement processes on procurement public secondary schools in Migori County. The study was conducted through the use of self-administered questionnaires to collect data. Questionnaires targeting 176 public secondary were issued and the target groups were the principals, deputy principals, and head of departments,
bursa and clerks. The study had a sample size of 123 secondary schools. Consensus method was used to select schools in different sub counties, descriptive statistics analysis and multiple regressions were used to analyze data. The results indicated that staff competence, ethics in procurement processes, budgeting procedures, cost estimation influence procurement planning in secondary schools.

According to Kavuva and Ngugi (2014) proper procurement planning contribute to effective and efficient performance in local government procurement systems in Kenya. These findings were confirmed by Ogwel, Iravo and Lagat (2006) whose study showed that planning on budgetary influenced procurement performance he further argued that top management plays important roles in ensuring that the staffs employed are competent, resources allocations are available, budgets are prepared and adhered to, and staffs are taken to training to increase their knowledge and skills. Suppliers also play a very big role in procurement performance by ensuring that they supply in time and according the specifications and their catalogs.

2.2.2 Professionalism

Staff competence refers to the application of knowledge, appropriate skills and behaviors in execution of organization activities. Competence emerges from professionalism which encompasses ability to provide specialized and technical support services.

Gilbert (2013) an expert is people who is very intelligent, appreciates work self-governance, appreciate an agreeable pay, and participates in innovative and mentally difficult work. Professionalism in procurement must be achieved through learning and experience about technical and soft skills.
Staff aptitude refers to the ability or an underlying character of an individual that is related to effective or superior performance. In this research competency refers to the application of professional knowledge and skills to accomplish a task (Armstrong and Baron, 2008). Public procurement professionals have to endeavor to achieve three competing demands of meeting commercial interests with key themes of value for money, economy, efficiency and effectiveness (Shileswa, 2017).

Staff Competency and Procurement Performance require necessary skills and experience to carry out procurements effectively and that the staff competencies influence procurement performance to a large extent. Procurement staff competencies affect procurement performance both for procurement unit and to the whole nation in the sense that experienced staff carry out duties in professional manner and reduce wastage of resources. Effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process. Competent staff would ensure that items and services are procured as and when the need is expected. Lysons & Dillingham (2003) confirms this indicating that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money. He further argued that effective training is not an isolated event in an organisation. Training must be strategic in that it is designed to improve the knowledge, skills and abilities of employees to help them achieve the organisation’s strategic plan. Effective training is therefore can’t be designed until there is full understanding of the organisation. Armstrong and Baron (2008) training is an important tool of Human Resource Management to control the attrition rate because it helps in motivating employees achieving their professional and personal goals, increasing the level of job satisfaction thus leads to increased productivity. He further reiterates that it can only be achieved through SWOT Analysis and a proper
understanding of the organisation’s vision and hence creating a competitive advantage. Training Needs Analysis is also very important to know the training gaps between the employee’s current performance and desired performance level.

Hui et al. (2011) analyzed procurement issues in Malaysia and established that procurement officers were blamed for malpractice and non-compliance to procurement polies and procedures. He further argued that public procurement systems were inefficient and that the state was losing a lot of money through shoddy deals.

Gesuka and Namusonge (2013) did a study in Mozambique concluded that decline performance had be recorded due to among others, inadequate and or incompetent procurement staff who do not consistently apply procurement regulations, rules and procedures. He further recommended that procurement staff and all those involved in the procurement process should be familiar with the procurement rules and regulations.

Wanyonyi and Muturi (2015) found that the key contributors to staff competence included training of new employees in the procurement departments, enhancement of team work of procurement staff, acquaintance with the procurement law by the procurement team and employment of qualified and competent personnel in the procurement departments among others.

Lyson and Farrington (2012) concluded that procurement as a profession should be knowledgeable skilled based on theoretical knowledge, prolonged training and education, competence based on test and examinations and adherence of professional code of ethics. OECD (2007) further asserted that professionalism depends on staffing, knowledge, skills and capabilities of the human resources and controls in the system that influences human behavior.
Hence any effective procuring system requires that the procuring entity is staffed with procurement professional body.

Rizwan et al. (2010) employee Performance fundamentally depend on many factors like performance appraisals, employee motivation, Employee satisfaction, compensation, Training and development, job security, Organizational structure and other, but the area of study is focused only on employee motivation as this factor highly influence the performance of employees.

Basheka (2009) argued that lack of professionalism results in corruption thus ultimately impedes compliance of procurement rules and regulations in procuring entities and adversely affects performance. Controller of Budget report 2013/2014 further argued that the low level of staff capacity especially procurement and finance management affected budget implementation resulting in low absorptions of funds. The results further indicated that some procurement professions lack capacity knowledge of the public procurement and disposal Act 2005 which had significantly resulted in inadequate fulfillment of procurement requirements.

Raymon (2008) if procurement officers are not professionally trained, lack awareness about all regulations in relation to procurement and related procedures, then serious consequences including breaches of codes of conduct occur resulting to unsound procurement practices hence declined performance. He further concluded that the increasing importance of procurement suggests that only well trained and qualified personnel should be employed to manage the process.

Managing purchasing and supply function require a thorough understanding of the procurement process that takes place within the organization which requires competent staff Weele (2010).
Kiplagat (2010) pointed out that lack of requisite skills in employees was one of the challenges facing communication commissions of Kenya. Many of the challenges and concerns relate to the fact that the government institutions have not professionalized their procurement organization, systems and staffs Weele (2010). Communications skills both on paper and verbally are also critical on procurement professionalism.

Kiarie et al. (2014) did a study on factors affecting procurement planning in County government in Kenya a case of Nairobi city. He dwells procurement practices which include management support, staff competence, information communication technology tools and budgeting process. The findings were there is a positive relation between staff competence and procurement planning.

Procurement professionalism on procurement performance and ethics both connect. Ethics entails operating within the accepted code of conduct and moral principles acknowledged as appropriate within the profession. Collins (2009) organization that manages procurement appropriately lead to superior financial performance accrued from avoiding the cost of unethical procurement practitioners. It should be noted that all the monies given as bribes to corrupt procurement practitioners by unethical suppliers are siphoned from the buying organization as part of quoted price of goods, services and works acquired. Training as staffs is also critical as it improves procurement practitioner’s skills and knowledge thus improved procurement performance, experience cannot also be ignored as it leads to efficiency and effectiveness of procurement performance (Kiage, 2013).
2.2.3 Financial management

Waddel (2000) defines financial management in public organizations as a process of ensuring funds are available when needed and that they are obtained and used in the most efficient and effective way to the benefits of the citizens.

Alexander (2009) financial management involves planning, organization, directing and controlling. According to him financial management practices are important for any public organizations which include budgeting process and proper controls. He further argued that financial management framework comprises the process, systems, internal controls and practices relating to the way a department manages its revenue, expenses, assets, liabilities and contingencies.

Ahmed, Babar and Kashif (2010) did a study on effect of financial management practices on corporate sector in Pakistan where he looks at internal control, record keeping monitoring and evaluation. The sample of the study consisted of forty companies operating in Pakistan related to different sectors and the results of the study were positive and significant.

Kabaj (2003) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Equally, Kakwezi and Nyeko (2010) argues that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness. This implies that such a problem requires establishment of clear procurement procedures and performance standards. Performance standards when adopted can provide the decision-makers in the
procurement department with unbiased and objective information regarding the performance of the procurement function (Parasuraman, Berry, & Leornard, 1996). Performance standards when implemented can provide conclusion from the department in regards to the procurement functionality. In Uganda the Public Procurement and Disposal of Public Assets (PPDA) are in charge of proper disposal and procurement planning and management.

The Public Finance Management Act 2012 is mandated to provide guidance on disbursement of revenue to the 47 counties. However, due to National Treasury delay in disbursement of funds and inadequate funding, According to the study Christopher et al. (2013) the ability of counties, especially those with a weak resource base to raise enough revenues that will enable them perform the devolved functions and deliver services to the citizen. The equalization fund is likely to be so thinly spread hence the bigger burden of meeting the deficits will have to be through internal revenues. This is particularly as relates to the already weak capacities to generate and collect revenues that were witnessed in the former Local Government Units.

According to PPDA Regulations (2006), each user department should prepare a multi-annual rolling work plan for procurement based on the approved budget, which is submitted to the procurement and disposal unit to facilitate orderly execution of annual procurement activities, a procurement and disposal unit then uses the combined work plan to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year, however compliance levels continue to be low in public entities in Kenya despite efforts by the Public Procurement Oversight Authority (PPOA) to put in place measures to improve compliance (PPOA 2007).
Allison & Kaye (2005) concluded that any financial management practices include but not limited to budgeting process, accountability and proper management of funds. The study further stated that any good budget process needs to attain three important objectives namely maintenance of fiscal discipline, attaining allocative efficiency and operational or technical efficiency. Furthermore they argued that public sector organizations are concerned with the provision of public goods to members and societies. Their budgets are therefore mainly intended for authorizing actions and providing ceilings for management actions.

According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

The report World Bank, Government Officials and Procurement Assessment Report (PAR) shows that huge amount of public funds are wasted through corruption during procurement processes and therefore citizens do not get value for their money. The case also applies to other projects financed by the government as well as donors. The finding further revealed that there is
low disbursement of funds and affect the implementation of the projects rolled out by the government (Rono, 2017).

Some of the challenges affecting performance of procurement include inadequate funding and poor planning. The report by World Bank (2014) shows that 132 procured works which are vital in public expenditure revealed that approximately 84% of incurred cost are inflated up to 30% of budgeted cost (World Bank, 2014). This is also true in Kenya whereby cases of stalled projects, misappropriation of funds, inadequate funding have been witnessed in the recent past. In is in this regard that the present study seeks to investigate this aspect in the case of public procurement.

Public procurement and disposal Act (2005) provide the provision that all procurement in Kenya shall be within the approved budget of the procuring entity as per the annual plan and that it should be handled by different procurement officers in respect of the procurement process. In line with the same act a procuring entity is supposed to prepare clear specifications of requirements relating to goods works or services being procured and that procurement process should be fair and open for competition. Thai (2004) in his findings states that procurement plans must be well integrated into the budget process and that advanced planning will results in cost savings and more efficient services.

Public procurement Act (PPOA, 2005) requires public sector in Kenya to prepare procurement plan for each financial year as part the annual budgeting process. Head of department shall submit the procurement plan plus strategic plans of their departments to the accounting officer at least 30 days before the close of the financial year. The annual procurement plan will then be integrated with the applicable budget process.
The Public Finance Management Act 2012 is mandated to provide guidance on disbursement of revenue to the 47 counties. However, due to National Treasury delay in disbursement of funds and inadequate funding, According to the study Christopher et al. (2013) the ability of counties, especially those with a weak resource base to raise enough revenues that will enable them perform the devolved functions and deliver services to the citizen. The equalization fund is likely to be so thinly spread hence the bigger burden of meeting the deficits will have to be through internal revenues. This is particularly as relates to the already weak capacities to generate and collect revenues that were witnessed in the former Local Government Units.

Hand field et al. (2008) concluded that supplier financial condition needs to be evaluated at the earliest stages of supplier appraisal. The process should involve prescreening exercise that a supplier must pass before a detailed evaluation process can begin.

Chartered institute of Purchasing and Suppliers (2012) financial status and financial stability of an organization can be measured by factors such as profitability, cash flows management, asset owned, debts owed among other factors. The study further asserted that financial criterion is very important since selection of suppliers with poor financial conditions presents a number of dangers to the purchaser which include but not limited to the fact that the supplier might go out of business, the suppliers still with poor financial health will not have resources to invest in plant, equipment, or research necessary for long term performance improvements. More so the supplier may become financially dependent on the purchaser and lastly the financial weakness seems to be an indication of underlying problems.

Public procurement should ensure prudence in the use of resources in acquisitions of goods and services however the report by Controller of budget (2013) leakages and wastage of public fund
cost the country over 20% of the annual national budget and that some counties incurred expenditure that were not authorized.

Lysons (2008), CIPS (2012) financial stability of a supplier equally reflects on the ability of the supply to meet the current contract with the purchaser and to secure a future flow of suppliers. The financial records may also indicate the risk of delivery or quality problems and more disruption to supply more complex legal issues if a supplier becomes insolvent. As the buyer may need to insist on quality but the supplier is forced to cut on cost; a buyer may have a claim against the supplier but he may have sufficient working capital to meet it and a buyer may wish to insist on speed delivery but supplier cannot pay overtime. Additionally the study concluded that a purchaser needs to look at various sources of financial information to assist in coming up with decisions on financial stability of suppliers. These sources include but not limited to published financial statements, the internet and the press.

2.2.4 Tendering

Public sector spends billions of shillings a year on goods and services needed to deliver public services. To achieve value for money for the taxpayers, effectively managed, properly and executed procurement are essential. Open and efficient procurement ensures equal and fair competition among suppliers resulting in effective use of limited public resources and thus contributing to the welfare of the nations (Samwel, 2009)

Procuring entities and suppliers should build a common understanding on the rules of competitive bidding since at times the rules can be short-circuited by setting of particular brief time frame, insufficient publication and biased specifications. When a procuring entity choose a less competitive procurement method it may exclude certain suppliers by not publishing a
required procurement notice or by merely publishing it in the local media where it is required which can prejudice some suppliers interests. Developing countries are typically characterized by relatively low level of competition and limited or no formal competition policy. According to Rod Falley et al. (2007) measures to promote and regulate competition and to make procurement more transparent offer potential benefits in enhancing the competiveness and efficiency of the business environment.

The Kenyan law guiding public entities choice of procurement procedures in the Public Procurement and Disposal Act 2005 (PPOA, 2005) requires public entities to use open tendering as the choice of procurement procedures and only use an alternative procurement procedure in times of urgent need Jodie (2004).

According to Creswel (1999) there are several steps used mostly in the tender process. First the tender process is determined that is the type of tender to be used as well as what will be involved in the tender process. Secondly is the request for tender which outlined what is required, the contractual requirements and how to respond. Third stage is invitation depending on the value, complexity and business category, fourthly suppliers respond at this stage, relevant documentation is obtained and pre-tender briefing sessions are conducted. The fifth stage is evaluation stage and selection where each tender will be checked for compliance, and if compliant, they are evaluated against the criteria specified in the tender documentation. The tender that offer best value for money will win the business. Six involve notification and debriefing. Thing successful tenderer will be advised in writing while unsuccessful tenderer are also advised and offered a debriefing interview (Dozzi & Schoreder, 1996).
A major factor that influence effectiveness of tendering process in public sector is duration taken and if not well managed it will be very costly to an organization GOK(2004) concluded that tendering is the function that cost an organization a great deal of money and has to be performed correctly in order to maximize effectiveness and minimize cost.

Unethical practices are an enemy to development not only in Kenya but globally. Tendering systems in Russia has weakness which is associated with Russia’s business environment in procurement and tendering of huge projects around the world. The report on Business, Corruption in Russia, 14 March (2012) revealed business in Russia can mitigate their risks through simple steps and by being alert. According to parliamentary report on service delivery 13 September (2010) in South Africa, tendering process was introduced to eradicate rampant unethical practices that were observed in the country.

Neema Athumani (2012) did an assessment on effectiveness of tendering process in the public sector in Tanzania a case of ministry of health and social welfare and according to him if tendering is performed and administered according to the laid down effective procedures and regulations the outcome is the best quality of goods delivered to the public expectations. He further explained the need to exercise accountability and transparency in the procurement process. He also pointed out the problem of uncounted in the tendering process which include use of defective tender documents, wrong interpretation of act, regulation and standard tender document, unethical behavior among procuring officials and entities. In Tanzania according to world forum (2012) a total of $ 495M was given from Donors and pledged to increase aid to Tanzania but warned future disbursement could depend on how it tackle corruption and misuse of public funds especially in tendering and procurement.
In Kenya Beatrice (2012) did a study on factors influencing effectiveness in tendering process in Public sector a case of Nyeri County Kenya and concluded that duration of tendering process positively influence effectiveness of tendering process while unethical practices did not significantly influence effectiveness of tendering process. Work ethical behavior facilitates transparency and responsibility during public procurement processes and thus encourages interested suppliers to work with government. Training of employees with regard to ethical awareness is key in promoting moral behaviour in government agencies (Amos & Weathington, 2008).

Government user guide (2001) regulation 11 provides that all public procurement entities are under obligation to give all potential candidates an opportunity to participate in national open tenders. The requirement for full and free competition requires that the procurement action reach as many potential candidates as possible. The regulation further lays emphasis on the use of open tendering but allows other procurement methods in special circumstances. It further states that depending on the technique used, orders and contracts are given to the candidates who have the potential to successfully achieve under the terms and conditions of the contract.

AfriCOG (2015) pointed out lack of pre-qualification of suppliers as there are numerous cases of single sourcing also as indicated in budget controller 2015 there are rampant cases of single sourcing which could be as a result of interference of executive in procurement through instructions that undermine the principle of competition. Which might results in the risk of corruption particularly if government officials are involved in procurement process are the same ones receiving tenders, they could collude with service providers to gain from tenders in exchange for elimination of completion and to ensure a particular service provider wins the tender.
Byatt (2002) stressed that although it is important that procurement be based on the basis of tenders that are publicly the most vital, affordable and other factors be carefully considered. It does not require that an award to be made absolutely to the candidate that submits the lowest tender, but a potential contestant (supplier) should be financially stable with adequate resources during the time of the performance of the contract and should be able to adhere to the required delivery considerations with a satisfactory record performance.

Hiles (2005) argued that the candidate supplier should have acceptable record of business ethics and integrity so as to qualify. On the other hand he made a conclusion that the negotiated procedure may be used without prior publication of the negotiated agreements in certain circumstances such as when an open or restricted competition has failed due to irregularities and all of the previous participants in the tender exercise are to be invited in response to a tender. A notice under the open or restricted procedures and the requirements should be open and substantial. According to his findings restricted tender can only be adopted when the contract is unforeseen, unforeseeable by the contracting authority or urgent and the time limits prescribed under the open procedure cannot be met.

Amos and Weathington (2008) a procuring entity wishing to commence competitive tendering shall issue all eligible prospective suppliers, contractors, service providers or asset buyers with timely and adequate notifications of the procuring entity requirements and equal opportunity to tender for the requirement good, work or services for assets to be disposed. More importantly the duration of tender shall depend on the magnitude and complexity of the procurement sought. He further explains the measure to be taken so as to attain procurement goals which include maximizing cost. More so he explained the need to exercise accountability and transparency in tendering process.
According to the public procurement and disposal act (2005) section 45 (1) states that during tendering process procurement records shall be kept by all the procuring entities. He further asserted that the records for procurement must include description of the goods, works or services being procured, if the a procedure other than open tendering was used and the reasons for doing so.

According to Africa center for open governance (AfriCOG, 2015) transparency in procurement concerns the timely access to easily understood information. It assist in ensuring that any deviations from fair and equal treatment are detected early hence reducing the risk of such deviations. It protects the integrity of the process and interest of stakeholders of and the public. The study further defined accountability in procurement as that it concerns officials being responsible for their actions and decisions in relation to procurement and resulting outcomes. Furthermore the study concluded that accountability is a process which entails ensuring that the due process is followed, including seeking necessary approvals, supporting the decision made and those records for all the activities are maintained as required by law.

Croom and Johnston (2003) did a study on e-procurement and argued that compliance by the internal users is critical to the achievement of cost and efficiency gains from electronic procurement. He further asserted that the level of compliance with e-procurement is strongly influenced by the general disposition of the organization as a whole to either electronically process redesign or the desire to gain perceived benefits from electronic procurement. Hence internal customer satisfaction should be a key concern in the development, adoption and deployment of such systems.
Darin (2007) concluded in his study that to build core competency, organizations are adopting e-procurement as a key strategy according to its capacity to reduce cost. Further conclusions involve an organization should adopt e-procurement to ensure that selected suppliers deliver product or services that does not exceed extensive quality control. The findings further concluded that e – procurement can also reduce quality costs by making sure that the components do not lead to complaints on the user department or final product to the customer.

Vaidya et al. (2006) many organization have been seeking new ways to reduce costs which typically represents the largest cost item in business operations which according to industry sources, the indirect procurement expenditure in Australia are about AU$ 150 billion per annum and each procurement process incurs about A$125 per transaction. He further urged that e – procurement contributes to product design and innovation in industry comes from suppliers or as a results of intensive interactions between suppliers and user department in any organization.

A report by World Bank (2008) unethical practices in public procurement was largely facilitated by lack of transparency in the procurement procedure. The report further concluded that what makes matters worst is that Kenyan law does not prohibit public officials from participating in private enterprises. Furthermore the findings revealed that there was no provision for dissatisfied bidders or the general public to appeal against the procurement decisions of the various tender’s boards where specifically there were irregularities in the process.

According to Kabaj (2003) training of the team who participate in the public tendering process for efficient and effective service delivery is necessary. Through training participants acquire new sets of values and attitudes which makes the appreciate their untapped potential and reinforce their self confidence and sense of autonomy as opposed to dependency. The study
further concluded that for any project to be successful people involved must be trained and that the training must be quality to ensure effective implementation of tendering process.

According to public procurement act 2015, procurement process should be clearly outlined. The first process is budget and planning, followed by receipt of tender document, advertisement is then advertised and closes on the closing date. A tender opening committee is then appointed to open the tenders then an independent evaluation committee is appointed to evaluate the tenders within 30 days after opening. Procurement representative does an evaluation report based on the findings. Finally once the report is completed it is forwarded to the head of procurement who then prepares a professional report opinion to the chief officer (managing director) for approval or rejection.

Nelson et al. (2001 asserted that the advent of internet as a business systems platform has been a catalyst for major changes in the operation and status of organizational procurement. He further noted that Information technologies have changed the way organizations and governments operate. The majority of organizations spending consist of purchasing through the public web, buyers have the opportunity to identify potential suppliers through a standard search engines or specialist. On line search and comparison of list prices are typically used for one of specialist or low value purchases. The findings of the study further confirmed that e-procurement is a technical implementation that enables the transformation of organizational structures and workplace practices. Flexibility in the development and enablement of the associated systems and processes allows the diverse requirements of stakeholders and participants to be recognized and supported. This may include tailored training for buyers and procurement support staff as well as the ongoing reviews of the associated processes and tools (Berry & Berry, 1999).
Darin (2007) the world has continued to experience massive information, communication and technology, increased knowledge by consumers about foreign goods and services, improved international relations, cooperation’s and agreements amongst countries, convergence of socio-cultural orientation leading to tremendous growth of internal business. He further argued that the procurement process has traditionally involved slow manual procedures and even slower systems.

Vaidya et al (2006) electronic tendering can shorten a typical manual tendering process by half thus reducing procurement cycle time and transaction cost. He further concluded that e-procurement is most advantageous because of its speed and coverage, and when implemented properly, it increases transparency in the tendering process and will almost if not all, tenders above the required threshold to be openly advertised.

Croom and Johnston (2003) by staying aware of participants’ needs, support organizations can build, evolve and manage systems and processes that allow buyers to purchase goods and services from preferred suppliers. E-procurement result into an improvement of the labor productivity of an organization and, as a consequence, contribute to a number of intermediate outcomes (better services, cost savings time savings, transparency), to economic rationality (organizational efficiency, simplification) and to GDP growth. He further concluded that most of the costs incurred are due to non-value added activities such as manual data entry, fixing errors, premium buys due to the inability to find competitive suppliers, inefficient search and evaluation of suppliers and their product offerings and the long process in reaching an agreement and obtaining approval before orders can be placed. E-procurement system, therefore, has attracted organizations” attention particularly in the last few years and it has the potential to improve national productivity growth of any country.
2.2.5 Performance of County Governments

The Government of Kenya (2010) was passed and with its promulgation established a new form of government. This new devolved form of government replaced the former centralized form of government. The decentralized form of government in Kenya established 47 County governments and a national government. This was intended to bring services and financial management closer to the people. The roles of all stakeholders (including citizens) are outlined in the various statutes, among them the PPD Act (2005).

Chapter 11 of the constitution of Kenya (2010) establishes the devolved form of government. The constitution hence establishes the 47 counties and outlines the powers from the national government to the regional governments in the 47 counties. There have been several structures established to enable governance in the counties. These include the senate, office of the governor, County public service board, the County executive committee, and women representatives and the County assembly. The County assembly is given the mandate to directly oversee and pass budgets and ensure that it is implemented in their respective counties. Citizens, civil society, religious organizations, trade unions and social and business associations need to understand the role of the various structures since they are expected to play an oversight role.

Chapter 12 of the Constitution of Kenya provides a framework for public finance management through efficient and effective procurement planning mechanisms. It also presents the principles and framework of public procurement in Kenya. Principles that are envisaged to guide public procurement include accountability, openness and public participation in matters involving public procurement.
Further decentralization within Counties is mandated by County Government Act 2012 and Cities and Urban Areas Act 2012 that provide mechanisms for further decentralization within counties. The persons responsible at these units are to be appointed by the Governors and County Public Service Boards. They also need to be facilitated with enough resources to carry out their work.

In Kenya, procurement in the public sector is subject to the stipulations of the Public Procurement and Assets Disposal Act (PP and ADA), 2015. The principle purpose of the Act is to establish procedures for both procurement and disposal of unserviceable, obsolete or surplus equipment by public organizations with the aim of maximizing economy and efficiency. This Act requires public entities to plan their procurement activities in a manner that is transparent, accountable and gives maximum value to taxpayers’ funds (Republic of Kenya, 2015).

Previously known as the Public Procurement and Disposals Act, 2005, the PPDA, 2005 was revised to the PP and ADA, 2015. The latter was assented to law on 18th December, 2015 and its implementation commenced on 7th January, 2016. The PPDA applies to all state organs and public entities in regard to procurement planning, procurement processing, inventory and asset management, disposal of assets, and also contract management (Republic of Kenya, 2015).

Therefore all accounting officers of public entities shall prepare an annual procurement plan which is realistic within the approved budget prior to commencement of each financial year as part of the annual budget preparation process (PP and ADA 2015 Cap53, 1-11) Procurement particularly in the public sector has been facing many challenges

Schiavo-Campus and Sundaram (2000) importance aspect of procurement had been neglected field for a long time, it has since positioned itself among core organizational functions and its
management is becoming increasingly critical for the well-functioning of any organization. Studies indicate that public expenditure indicate up to 45% of the GDP among developed countries. He further asserted that procurement performance takes into consideration both strategic and operational dimensions of the procurement.

Van weele (2006) conclude that purchasing performance is viewed as originating from, purchasing effectiveness and purchasing efficiency. His findings further argues that if devolved systems are not properly designed and implemented it leads to translation of central government bureaucracies, inefficient utilization of resources and lack of accountability in any organization.

Weele (2010) organizational performance means attainment of maximum objectives as laid out in the strategic plan. Nyeko (2004) concluded that efficient procurement is a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life by generating benefits not only to the organization and the economy. He further asserts 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.

Purchasing effectiveness and purchasing efficiency characterized diverse competencies and abilities for the purchasing functions. CIPS Australia (2005) presents the differences between effectiveness and efficiency. Efficiency reflects that the organization is “Doing things right” whereas effectiveness relates to the organization “ doing the right things” This means an organization can be effective and fail to be efficient, the challenge being a balance between the two issues to do with timeliness in the disbursement of funds to the government units helps in improving the process of procurement. Planning is the deliberate social or organizational activity
of developing an optimal strategy of future action to achieve a desired set of goals, for solving
novel problems in complex contexts, and attended by the power and intention to commit
resources and to act as necessary to implement the chosen strategy (Alexander, 2009).

Nyeko (2004) Service delivery is a deliberate obligatory decision by the elected or appointed
officials to serve or deliver goods and services to the recipients. Procurement process is a
fundamental function that impacts on effective or ‘ineffective’ service delivery. There is no part
of local government service delivery that does not depend on procurement of goods, services and
works; and yet the area remains a neglected field of research.

National Service Delivery Survey (2008) concluded that state Corporation has put in place
provisions to ensure the realization of her long term objective of improving the quality of life of
its citizens. Substantial resources have been committed towards improving service delivery in
areas such as infrastructure development and maintenance, rural development, human
development and governance, among others. In particular, it is noted that households do not only
need income but also require adequate community infrastructure such as schools, health
facilities, clean water, roads, energy, security, law and order. According to Ndewa (2002),
decentralization, defined broadly as the transfer of public authority, resources, and personnel
from the national level to sub-national jurisdictions, has been a recurrent theme in African
countries since independence. In this regard, we are concerned only with decentralization to the
local level, which is supposed to result in local governments and local service delivery. We are
not concerned with decentralization at the regional, state or provincial levels, which typically has
a different dynamic often tied closely to the very nature of the state and an explicit balance of
political forces. We also distinguish between decentralization, which we define as entailing
transfer of political, administrative, and fiscal responsibilities, and de concentration, which we
define as the mere relocation of executing agencies to the local level with responsibility and power remaining at the center.

In most developed countries public procurement takes place within the framework of international obligation such as the World Trade organization (WTO), agreement on procurement. Public procurement in developing countries need not meet international regulations. The pressure to reform may not be strong in developing countries. The donors considered Africa’s procurement system a key obstacle to service delivery. However in recent times there has been need for reforming by the sequences set by World Bank and other donor agencies if their funds are to be used effectively to promote economic development (Abeillé, 2003). Many countries have moved to regional trading blocs, as such public procurement face a challenge on how to comply with their government’s procurement regulations without violating regional or international agreements. There is also a challenge that developed and developing countries have two sets of requirements, i.e. management requirements and policy requirements.

Procurement largely contributes to the local market in developing nations. The economy of majority of these nations is highly dependent on the way procurement activities are managed. Most government institutions utilize procurement avenues to promote local industries, enhance regional balance and bring about equality in the society at large (Kihara, 2009). Despite of the vital role played by procurement practices, it has been an avenue of wastage of public resources in the process benefiting few individuals especially cartels in government, hence there is need for appropriate procurement practices (Mokaya, 2013). Procurement cannot be perceived as a mere clerical routine, but they should be involved in strategic procurement planning Arrowsmith (2003). Performance in this study will be measured using the following parameters efficiency and, effectiveness, service delivery, transparency, accountability.
2.3 Summary of literature and Research Gaps

A quite number of studies have been carried out on the subject matter; procurement. Most of the studies have been done in developed countries with majority focusing on other perspectives and dimensions of procurement rather the subject matter of the study. Walter (2014) did a study on effect of procurement practices on performance of commercial state owned enterprise in Nairobi County Kenya. The study dwells on buyer supplier relationships, supplier selection procedure, organizational capacity and procurement process management effect on organizational performance measured in terms of return on assets, increased profits and quality service and products. For instance, Mokogi et al. (2015) focused on the effects of procurement practices on the performance of commercial state owned enterprises in Nairobi County.

Nderitu and Ngugi (2014) studied the effects of green procurement practices on an organization performance in manufacturing industry; Bag (2012) focused on world class procurement practices and its impact on firm performance: a selected case study of an Indian manufacturing firm; Makabira and Waiganjo (2014) focused on Role of procurement practices on the performance of corporate organizations in Kenya in the case of Kenya National Police Service. Ngunyi (2014) focused on procurement practices and the performance of parastatal in Kenya. On a study conducted by Mwangi (2016) focused on the influence of procurement practices on the performance of logistic firms, specifically in Nairobi County. However he recommended that similar study to be done in non-commercial enterprises in Kenya. It is on this light that the present study seeks to bridge the knowledge gap by investigating the role of procurement practices on the performance of Counties in Kenya.
Various research has been conducted in the County Government of Kericho such as research on e-procurement, procurement process and planning relating with other factors such as efficiency, profitability but few studies have been undertaken to determine the role of procurement practices on overall performance of public organization relating specifically with procurement practices procurement planning, professionalism, financial management and tendering as independent variables and value for money and service delivery as dependent variables.

2.4 Conceptual framework

According to Goetz and Le Compte (2009) conceptual framework refers to a set of broad concepts and principles extracted from a specific area of study and form the guidelines for presentations. Further asserted that conceptual framework is important in helping the researcher track his research. The independent variables for the study include: procurement planning, professionalism, financial management and tendering whereas the dependent variable is performance of County Governments
Procurement practices

Procurement planning
- Need identification
- Need assessment
- Delivery schedules
- User involvement

Professionalism
- Competency
- Training
- Experience

Financial management
- Timely receipts of funds
- Adequate budgetary allocation

Tendering
- Duration of tendering process
- Ethical practices

Performance of county governments

- Transparency
- Accountability
- Effectiveness and efficiency
- Service delivery

Dependent Variable

Source Researcher (2018)

Figure 2.1: Conceptual Framework
As indicated in figure 2.1 above, performance of County government in terms of procurement practices depends on procurement planning which involve need identification, need assessments delivery schedules and user involvement.

The performance of County government is dependent on professionalism which involves competence, experience and skills of procurement staff. The experience and training of staff on execution of procurement activities plays a key role in the performance of County governments.

The success of County in terms of performance is further dictated by the financial management. The implementation of development projects depends on timely receipt of funds and proper allocation of funds.

Finally, tendering plays a significant role in performance of Counties with regard to the procurement activities, duration of tendering process and ethical practices are crucial in enhancing timely service delivery and thus performance of County governments.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Descriptive survey design guided the study. Kothari (2004) defines descriptive research design as one that provide the outline of the existing terms, conditions and relationships about the research problem under investigation. The design is important as it allowed the researcher to provide deep insight into a specific subject and focuses on explaining the aspects of the study in a detailed manner. It played an important role in identifying reasons behind various procurement practices (procurement planning, professionalism, financial management and tendering) adopted as well as assessing its effectiveness on performance of County government. Descriptive study is most preferred as it gives actual report on findings of the study. The study applied quantitative and techniques which involves use of numerical data to describe attitudes, perception and observation procurement of entities within Kericho County.

3.2 Study Area

A study area is geography or population which data is analyzed in a report or a map. It can also refer to as an area of land chosen or available as an object of study. In this study the area of study was Kenyan Counties; Kericho County government procurement units. This includes procurement departments, finance department, management units and recipients of procurement services was specific areas of study.
3.3 Target Population

According to Mugenda and Mugenda (2003) the target population refers to sets of elements, items or objects or individuals with similar characteristics and the researcher wants to generalize the results of the study. Kericho County is chosen a representative of the 47 Counties in Kenya. The unit of observations was employees in procurement department composed of senior managers, middle level managers and support staff as well as head of other departments, Budget committee members (Finance department). There are approximately 2000 employees in Kericho County and 60 Employees deals with matters of procurement services (Kericho County Human Resource Department, 2018). The table below shows the target population.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category of Respondent</th>
<th>Study population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heads of procurement</td>
<td>2</td>
</tr>
<tr>
<td>Head of departments</td>
<td>10</td>
</tr>
<tr>
<td>Procurement officers</td>
<td>58</td>
</tr>
<tr>
<td>Budget committee members</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

Source: Kericho County Human Resource Department (2018)
3.4 Sampling Design

3.4.1 Sample Size

A sample is a representative group of individuals, records or observations from a more significant population (Kothari, 2004). Census sampling was applied so as to collect data in the entire population since the population is small.

3.5 Data Collection procedures

It comprises the processes of gathering and measuring information on variables in a systematic way. The data collected was accurate and honest.

3.5.1 Types of data

Primary data was used in the study which was obtained through the use of close ended questionnaires. The questionnaires were self-administered using drop and pick later method.

3.5.2 Instrumentation

A data collection instrument is a tool that is used to aid in data collection. The choice of a suitable tool is dependent on the research objectives and also the kind of data (qualitative or quantitative) that are supposed to be collected. According to Mugenda and Mugenda (2009), questionnaires are the most suitable tools for data collection in survey studies. The present study was a descriptive survey, hence the choice of questionnaires. The questionnaire was structured in such a way that it enabled collection of data pertinent to the study objectives. The questions therein were on a five-point Likert scale. The questions were also close-ended.
3.5.2.1 Validity

Validity is defined as the degree to which results obtained from the analysis of the data actually represent the phenomena under the study (Mutai, 2003). As per Mugenda and Mugenda (2003), it guarantees the instruments are significant to the study by soliciting the correct inquiries in wording for precision. For a study to be viable, inquire about instruments must be legitimate. The researcher looked for expert judgment and endorsement from the supervisor to guarantee the validity of the instrument.

3.5.2.2 Reliability

Reliability is a measure of how much an exploration instrument yields steady outcomes or information after using it or administering the instrument to the same respondent over and over again (Mugenda & Mugenda, 2003). An instrument is dependable on if it should measure accurately what is being tested. A pilot study was conducted prior the main study to determine the reliability of data collection instruments procurement staff working at Nakuru County who numbered 10% of the sample size. The choice on the County was based on the fact that it offer similar services and that there were supposed to be excluded from the study. The researcher utilized Cronbach Alpha to measure coefficient of reliability and the results is as follows:
### Table 3.2: Reliability Test Results

<table>
<thead>
<tr>
<th>Study</th>
<th>No of Questionnaires</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement planning</td>
<td>8</td>
<td>.781</td>
</tr>
<tr>
<td>Professionalism</td>
<td>7</td>
<td>.771</td>
</tr>
<tr>
<td>Financial management</td>
<td>9</td>
<td>.791</td>
</tr>
<tr>
<td>Tendering</td>
<td>8</td>
<td>.823</td>
</tr>
<tr>
<td>Performance of County</td>
<td>8</td>
<td>.790</td>
</tr>
</tbody>
</table>

**Source Researcher (2018)**

The results of reliability test which was found to be 0.79.

#### 3.5.3 Instruments Administration

In this study closed ended structured questionnaires was used to enable collection of the data meant for the study. The questionnaires was administered to the respondents using drop and pick method. The respondents were given enough time to respond to the questionnaire. A five-point Likert scale type of questionnaires was administered.

#### 3.6 Data Analysis and Presentation

Once the raw data had been collected the questionnaires were checked for accuracy and reliability which was important as it leads to credibility to all subsequent analysis and findings. All the items were then classify before entering into statistical package for social sciences (SPSS). Data that were collected in this research were presented using frequency distribution tables, and bar graphs. Descriptive statistics used include the percentages, mean, and standard
deviation. Multiple regression was applied to help in predicting the values of dependent variable. Coefficient of determination R square was used to analyze the suitability of the multiple regression model on how well the predictions approximate the real data points. An R square of 1 indicated that the regression predictions perfectly fit the data. The appropriateness of the multiple regression model as a whole was tested by the F-test in the ANOVA table.

Individual significance of independent variables on how it is effective in predicting the dependent variable (Null hypotheses) was done using the t – test. The t– test of the regression coefficient was significant as the entire variable in question influences the dependent variable significantly. The relationship between variables was analyzed using the Likert scale as a parameter to measure the variables. When the entire survey questionnaire had been collected, the researcher used statistics to analyze all the data with the help of a scientific tool call statistical package for social sciences (SPSS) to generate the numerical figures and table of frequencies. Results were then summarized using tables, charts, graphs, percentages and regression model. The following regression model for inferential statistics was adopted:

\[ Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon \]

Where:

- \( Y \) is the performance;
- The \( \beta_i \)s are the coefficients of the independent variables;
- The \( \beta_0 \) is the intercept

Whereas, \( X \) being a set of procurement practices measured against the performance of County Government
In this case,

\( X_1 \): procurement planning;

\( X_2 \): professionalism;

\( X_3 \): financial management;

\( X_4 \): tendering

\( \varepsilon \) : error term

### 3.7 Ethical Consideration

Before conducting research, the researcher sought Clearance Permit from the National Council for Science and Technology (NACOSTI) and also an introductory letter from the Kisii University.

Participation in the study was on voluntary basis and those who participated were guaranteed confidentiality. Cover letter was used to invite respondent’s participation. The information collected was treated with utmost confidentiality and it was stated clearly that it was to be used for academic purposes only.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.1 Response Rate

The sample respondents were 75 procurement officers, head of departments, procurement officers, budget committee members and suppliers working with Kericho County government. Hence a total of 75 questionnaires were issued to the respondent to fill in. The respondents were given seven days to respond to the questionnaires. After which it the filled ones were collected ready for analysis and the conclusion was as follows;

Table 4.1: Questionnaire return rate

<table>
<thead>
<tr>
<th>Response rate</th>
<th>Frequency</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned questionnaires</td>
<td>62</td>
<td>81.17</td>
</tr>
<tr>
<td>Unreturned questionnaires</td>
<td>13</td>
<td>18.83</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the findings on the table 4.1, out of 75 questionnaires administered to the respondents, 62 of them were returned for analysis. This translated to 81.17% response rate achieved and this was considered high and good enough for analysis. Only questionnaires 13 were not returned which accounted for 18.83%. Based on the findings, the response rate was good enough to generalize the findings of the research.
4.2 Demographic information

This section provides analysis of the findings from the respondents. The quantitative analysis and results have been presented using tables and graphs.

4.2.1 Distribution of Respondents by Gender

The study established the distribution of gender and the results are as given in figure 4.1

![Figure 4.1: Gender of the respondents](image)

From the findings indicated in figure 4.1 (51.6%) of the respondents were male whereas (48.4%) were females. The findings revealed that gender sensitivity was achieved during data collection hence the information given was cutting across the board.
4.2.2 Age of the respondents

The research determined to know the age of the respondents and the outcomes are as distributed in the table 4.2. The respondents’ age was put into different reasonable categories which ranged from 18 – over 45 years.

Table 4.2: Age of the respondents

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25yrs</td>
<td>4</td>
<td>6.5</td>
</tr>
<tr>
<td>25-35yrs</td>
<td>22</td>
<td>35.5</td>
</tr>
<tr>
<td>35-45yrs</td>
<td>26</td>
<td>41.9</td>
</tr>
<tr>
<td>45 and above yrs</td>
<td>10</td>
<td>16.1</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results indicated that 41.9% of the respondents were within the age bracket of 35 – 45 years. Those who were in the age brackets of between 25-35 years were represented by 35.5 percent respectively. 16.1% were of age bracket 45 years and above. Only 6.5 percent of them were aged 18-25 years. This indicates that the employees from procurement department at the County government of Kericho who participated in this research were adults.

4.2.3 Distribution of Respondents by Education Level

The results of education level showed in figure 4.2 indicate that 70.97 percent of the respondents in the County government of Kericho had undergraduate degrees.
From the figure 3.2, 16.13 percent of employees owned diploma as their highest education level. Nevertheless, 9.68 percent had certificate as their highest level of education and only 3.2 percent had KCSE as their highest level of education. The findings show that the employees who work at the County government of Kericho had prerequisite education level which enabled them to fit well at their respective positions and that they were able to understand the concepts being studied.

4.2.4 Distribution of Respondents by Years of Work Experience

As indicated in table 4.3, the findings indicate that 71.0% of the respondents had worked in the County government for a period of between 4-6 years. 16.1% had served at their respective workplace for a period of between 2-3 years. Those who had worked for 3-4 years were 6.5 %
whereas those who had worked between 0-1 years were 4.8% whereas those who had served for 1-2 years were 1.6.0%.

**Table 4.3: Distribution of Respondents by Years of Work Experience**

<table>
<thead>
<tr>
<th>Years of Work Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1yr</td>
<td>4</td>
<td>4.8</td>
</tr>
<tr>
<td>1-2years</td>
<td>44</td>
<td>1.6</td>
</tr>
<tr>
<td>2-3years</td>
<td>10</td>
<td>16.1</td>
</tr>
<tr>
<td>3-4years</td>
<td>3</td>
<td>6.5</td>
</tr>
<tr>
<td>4-6years</td>
<td>1</td>
<td>71.0</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source Researcher (2018)*

These findings indicate that the employees under investigation had worked at the County government of Kericho long enough to comprehend the operations of the government.

**4.3 Descriptive Analysis**

**4.3.1 Descriptive Analysis of procurement planning**

This section sought to investigate the extent at which County government of Kericho had adopted procurement planning practices. The practices under study were need identification,
need assessment, preparation of delivery schedules, stakeholder involvement, and effectiveness of procurement planning and performance of County in terms of procurement planning. The analysis of this section was done based on a likert scale of 1 – 5 where Mean = 1 represented strongly disagreement, Mean = 2 is for disagreement, Mean = 3 undecided/neutral Mean = 4 agree and Mean = 5 strongly agree.

Table 4.4: Descriptive Statistics of procurement planning

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Mean</th>
<th>S.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need identification done on all procured goods and services</td>
<td>62</td>
<td>31.8%</td>
<td>35.3%</td>
<td>11.8%</td>
<td>21.1%</td>
<td>0%</td>
<td>4.00</td>
<td>1.17</td>
</tr>
<tr>
<td>Need assessment is carried out before undertaking procurement activities</td>
<td>62</td>
<td>32.8%</td>
<td>29.7%</td>
<td>18.9%</td>
<td>14.6%</td>
<td>3.2%</td>
<td>4.10</td>
<td>1.11</td>
</tr>
<tr>
<td>Preparation of delivery schedule is strictly done</td>
<td>62</td>
<td>19.4%</td>
<td>32.6%</td>
<td>30.5%</td>
<td>14.3%</td>
<td>3.2%</td>
<td>4.42</td>
<td>.82</td>
</tr>
<tr>
<td>County involve stakeholders in procurement activities.</td>
<td>62</td>
<td>16.8%</td>
<td>32%</td>
<td>14.2%</td>
<td>16.5%</td>
<td>20.5%</td>
<td>2.37</td>
<td>1.18</td>
</tr>
<tr>
<td>Level of Effectiveness and Efficiency of Procurement planning</td>
<td>62</td>
<td>24.6%</td>
<td>32.8%</td>
<td>18.5%</td>
<td>20%</td>
<td>%</td>
<td>4.24</td>
<td>1.15</td>
</tr>
<tr>
<td>Performance of County in terms of procurement planning</td>
<td>62</td>
<td>31.8%</td>
<td>35.3%</td>
<td>11.8%</td>
<td>21.1%</td>
<td>0%</td>
<td>3.72</td>
<td>1.11</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

The study sought to determine the role of procurement planning practices on performance. The findings of the study as indicated on table 4.4 the mean values ranges between 2.37 to 4.65 and
the standard deviation between 0.68 to 1.18. The respondent agreed that need identification is done on all procured goods and service in the County to a mean 4.00 (S.D =1.17), they further agreed that need assessment is carried out before undertaking procurement activities in the County government agreed to a mean of 4.10 (S.D=1.11). The respondent also agreed that preparation of delivery schedules is strictly done to a mean of 4.42 (S.D=0.82). This is line with Kenard (2006) argument that a good procurement plan should identifies the items required to be procured by defining the process of acquiring those items and by doing proper delivery schedules. All relevant stakeholders in procurement are involved with regards to procurement activities was slightly agreed to a mean 2.3710, (S.D= 1.18) County governments rarely call upon all relevant stakeholders which include, requesting entity, end users, procurement department, technical experts and even suppliers. However Caldwell, Roehrich and Davies (2009) in his findings concluded that detailed specifications are necessary from all stakeholders involved. Level of effectiveness and efficiency of procurement planning at the County government was agreed to a mean of 4.24 (S.D=1.15) and performance of County in terms of procurement planning had a mean of 4.65(S.D=0.68). This agrees with Mullins (2003) findings that there is a positive relation between procurement planning and service delivery.

4.3.2 Descriptive Analysis of professionalism

Professionalism was measured using six indicators that is level of professionalism of procurement staff at the County government, adequate training of procurement staff has been done, impact of procurement staff experience on performance of County government, necessity of staff capacity building, procurement staff have the necessary tools and equipments to execute their duties and effectiveness and efficiency of professionalism of procurement staff on County performance. Table 4.5 indicates the results as follows;
Table 4.5: Descriptive Statistics of Professionalism

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Mean</th>
<th>S. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism of procurement staff at the County</td>
<td>62</td>
<td>36.4%</td>
<td>32.7%</td>
<td>10%</td>
<td>20.9%</td>
<td>0%</td>
<td>3.95</td>
<td>1.14</td>
</tr>
<tr>
<td>Adequate training of procurement staff is carried out</td>
<td>62</td>
<td>23.7%</td>
<td>56.4%</td>
<td>0%</td>
<td>17.1%</td>
<td>4.8%</td>
<td>3.94</td>
<td>1.17</td>
</tr>
<tr>
<td>Experience of procurement</td>
<td>62</td>
<td>15.7%</td>
<td>34.3%</td>
<td>9%</td>
<td>43.1%</td>
<td>5%</td>
<td>4.24</td>
<td>.90</td>
</tr>
<tr>
<td>Necessary staff capacity building</td>
<td>62</td>
<td>16%</td>
<td>8.2%</td>
<td>22%</td>
<td>24.8%</td>
<td>29%</td>
<td>4.48</td>
<td>.83</td>
</tr>
<tr>
<td>Staff have necessary tools and equipments</td>
<td>62</td>
<td>10</td>
<td>32.8%</td>
<td>18.5%</td>
<td>20%</td>
<td>0%</td>
<td>4.40</td>
<td>.88</td>
</tr>
<tr>
<td>Effectiveness and efficiency of professionalism of procurement staff on service delivery</td>
<td>62</td>
<td>19.4%</td>
<td>32.6%</td>
<td>30.5%</td>
<td>14.3%</td>
<td>3.2%</td>
<td>4.48</td>
<td>.80</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

The study established the extent in which County procurement department had applied professionalism and table 4. 5 show the distribution on the findings. The respondents were asked to indicate their level of agreement on the statements on professionalism. The results indicated that procurement staff at the County government displays high level of professionalism to a mean of 3.95, and standard deviation of 1.14, adequate training of procurement staff has been
carried out in the County government was agreed to a of mean 3.94, (S.D =1.17) experience of procurement staff have impact on performance of County government was agreed to a of mean of 4.24, (S.D =0.90) staff capacity building is necessary in procurement department mean agreed to a mean of 4.48, (S.D =0.83), this conforms with findings of Gilbert (2013) that staff requires necessary skills and experience to carry out duties effectively and that the staff competencies influence procurement performance to a large extent. Procurement staff have necessary tools and equipments to execute their mandate was indicated by a mean of 4.40, (S.D =0.88) and furthermore the results indicated that majority of the respondents agreed that professionalism of procurement staff is effective in enhancing efficient and effective service delivery to a mean of 4.48, (S.D =0.80). Furthermore the respondents agreed to a large extend that professionalism affect performance of County government, which agrees with Raymon (2008) findings that if procurement officers are not professionally trained, lack awareness about all regulations in relation to procurement and related procedures, then serious consequences including breaches of codes of conduct occur resulting to unsound procurement practices hence declined performance.

4.3.3 Descriptive Analysis of financial management

The aspect of financial management were measured using six metrics: Timely receipts of funds affect procurement function, Budgetary allocation for various projects, Budget approval, Mismanagement of funds, Accountability plays crucial role and Availability of adequate resources affect the performance.
Table 4.6: Descriptive Statistics of Financial Management

| Statement                                               | N   | 5   | 4   | 3   | 2  | 1   | Mean | S.Dev |
|---------------------------------------------------------|-----|-----|-----|-----|----|-----|------|
| Timely receipts of funds affect procurement function    | 62  | 31.8% | 35.3% | 11.8% | 21.1% | 0%  | 4.53 | .88   |
| Budgetary allocation for various projects is done effectively | 62  | 32.8% | 29.7% | 18.9% | 14.6% | 3.2% | 4.03 | 1.00 |
| Budget approval                                         | 62  | 19.4% | 32.6% | 30.5% | 14.3% | 3.2% | 4.4  | .88  |
| Mismanagement of funds                                  | 62  | 16.8% | 32%  | 14.2% | 16.5% | 20.5% | 4.10 | 1.20 |
| Accountability in management of funds plays crucial role | 62  | 24.6% | 32.8% | 18.5% | 20%  | %   | 4.48 | 1.20 |
| Availability of adequate resources affect the performance| 62  | 31.8% | 35.3% | 11.8% | 21.1% | 0%  | 4.64 | .68  |

Source Researcher (2018)

The results indicated that majority of the respondents agree that timely receipts of funds affect procurement function at the County government to a mean of 4.53, (S.D =0.88), budgetary allocation is done effectively for various projects at the County to a of 4.03, (S.D =1.00), The respondent also agree that budget approval affect procurement of various services at the County to a mean of 4.40,( S.D =0.88), mismanagement of funds had impacted on the performance County with a mean of 4.10 and standard deviation of 1.20 which shows that most of the respondent agreed to the statement and the variation was high. Furthermore the respondent agreed that accountability plays crucial role in the management of funds allocated to procured
goods and services with a mean of 4.48, (S.D =0.88), which is line with Allison& Kaye (2005) conclusions that any financial management practices include but not limited to budgeting process, accountability and proper management of funds and finally they agreed that availability of adequate resources affect the performance of County government to a mean of 4.64, (S.D =0.68).

4.3.4 Descriptive Analysis of Tendering

The research asked the respondents to give their opinions on how they agreed with the statement under tendering in County and the results were as distributed in table 4.7:

Table 4.7: Descriptive Statistics of Tendering

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>mean</th>
<th>S. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>All the legal process of tendering duly followed</td>
<td>62</td>
<td>48.5%</td>
<td>22.8%</td>
<td>10%</td>
<td>18.7%</td>
<td>0%</td>
<td>4.47</td>
<td>1.00</td>
</tr>
<tr>
<td>Award of tenders is transparent and fair</td>
<td>62</td>
<td>19.6%</td>
<td>66.3%</td>
<td>0%</td>
<td>12%</td>
<td>2.2%</td>
<td>1.95</td>
<td>.97</td>
</tr>
<tr>
<td>Access of information with regard to tenders</td>
<td>62</td>
<td>13.3%</td>
<td>44.6%</td>
<td>8%</td>
<td>32.2%</td>
<td>2%</td>
<td>4.11</td>
<td>1.18</td>
</tr>
<tr>
<td>Supplier selection is critical in tendering process</td>
<td>62</td>
<td>11%</td>
<td>2%</td>
<td>14%</td>
<td>44.6%</td>
<td>27.3%</td>
<td>4.56</td>
<td>.88</td>
</tr>
<tr>
<td>Integrity is uphold during tendering</td>
<td>62</td>
<td>67.2%</td>
<td>20.7%</td>
<td>10%</td>
<td>2.2%</td>
<td>0%</td>
<td>2.66</td>
<td>.99</td>
</tr>
<tr>
<td>Tendering process at the County level is effective in enhancing performance</td>
<td>62</td>
<td>19.6%</td>
<td>66.3%</td>
<td>0%</td>
<td>12%</td>
<td>2.2%</td>
<td>4.48</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Source Researcher (2018)
The findings indicate that all the respondents agreed that all the legal process of tendering was duly followed at the County level and is effective to a mean 4.47, (S.D=1.00). Furthermore the respondents were asked to indicate the extent to which they agree with the fact that access of information with regard to tenders is effective and efficient and they moderately agree to a of mean 4.11, (S.D =1.18). The respondent also agreed that supplier selection is critical in tendering process to a mean of 4.5645, (S.D =0.88). They slightly agreed that integrity is upheld during tendering process to mean of 2.66, (S.D 0.99). On the other hand the respondents strongly agreed that tendering process at the County level is effective on enhancing the performance of County government to mean of 4.48, (S.D=1.0). However, majority disagreed that the award of tenders was transparent and fair to a mean of 1.95, (S.D =0.97). However Samwel (2009) argued that open and efficient procurement ensures equal and fair competition among suppliers resulting in effective use of limited public resources and thus contributing to the welfare of the nations

4.3.5 Descriptive Analysis of performance of County government of Kericho

The researcher asked the respondents to give their opinions on how they agreed with the statement under performance of County of Kericho and the results were as distributed in table 4. The indicators of performance include effectiveness and efficiency of procurement practices, level of accountability, timely deliveries, Level of transparency and fairness, delivery of right goods and quality of service delivery. The analysis of this section was done based on a likert scale of 1 – 5 were Very much Increased-5, Moderately Increased-4, Not Changed-3, moderately decreased-2, Very much decreased-1.
Table 4.8 Descriptive statistics on Performance of county government of Kericho

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness and efficiency of procurement practices</td>
<td>62</td>
<td>20.4%</td>
<td>21.3%</td>
<td>18.1%</td>
<td>39.4%</td>
<td>2.1%</td>
<td>4.65</td>
<td>0.68</td>
</tr>
<tr>
<td>Level of Accountability</td>
<td>62</td>
<td>16.4%</td>
<td>48.1%</td>
<td>23.5%</td>
<td>12.1%</td>
<td>0%</td>
<td>2.66</td>
<td>0.88</td>
</tr>
<tr>
<td>Level of transparency and fairness</td>
<td>62</td>
<td>22.5%</td>
<td>46.5%</td>
<td>21%</td>
<td>10%</td>
<td>0%</td>
<td>1.95</td>
<td>0.48</td>
</tr>
<tr>
<td>Timely delivery</td>
<td>62</td>
<td>10.7%</td>
<td>46.3%</td>
<td>14.2%</td>
<td>28.5</td>
<td>0%</td>
<td>2.65</td>
<td>1.00</td>
</tr>
<tr>
<td>Delivery of right goods</td>
<td>62</td>
<td>32.7%</td>
<td>20.9%</td>
<td>0%</td>
<td>36.4%</td>
<td>10%</td>
<td>3.64</td>
<td>0.84</td>
</tr>
<tr>
<td>Quality of service delivery</td>
<td>62</td>
<td>56.4%</td>
<td>4.8%</td>
<td>0%</td>
<td>56.4%</td>
<td>17.1%</td>
<td>4.48</td>
<td>0.80</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

The findings indicate that all the respondents agreed that effective and efficient coordination of procurement activities have improve to a mean of 4.65, (S.D =0.68). Level of accountability has slightly improve mean 2.66 (S.D = 0.88). Transparency and fairness has a slight improvement of a mean of 1.95, S.D = 0.48. Furthermore the respondents were asked to indicate the extent to which they agree with the fact timely delivery of goods and services procured have improved and they agree to a mean of 2.65, (S.D = 1.00) . Improvement on delivery of right goods were agreed to a mean of 3.64, (S.D = 0.84). Finally the level of improvement on quality service delivery was agreed to a mean of 4.48 and a standard deviation of 0.80. This agrees with Nyeko
(2008) that Procurement process is a fundamental function that impacts on effective or ‘ineffective’ service delivery. He further augured that there is no part of local government service delivery that does not depend on procurement of goods, services and works. More so, it agrees with Arrow smith (2003) that procurement cannot be perceived as a mere clerical routine, but they should be involved in strategic procurement planning as it has business benefits.

### 4.4 Correlation analysis between performance of Kericho county government and procurement practices

The study investigated the influence of various components of procurement Practices on performance of County government of Kericho. It also analysed the general effect of procurement on organizational performance. In order to achieve these, both correlation and regression analyses were conducted. Correlation analysis was done to show the relationship between the independent and depend variables of the study as distributed in the table below.

**Table 4.9: Correlation analysis between performance of County government of Kericho and procurement practices**

<table>
<thead>
<tr>
<th>Performance of County</th>
<th>Procurement planning</th>
<th>Professionalism</th>
<th>Financial management</th>
<th>Tendering</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>.655**</td>
<td>.791**</td>
<td>.671**</td>
<td>.727**</td>
</tr>
</tbody>
</table>

*Source Researcher (2018)*

**. Correlation is significant at the 0.01 level (2-tailed).
In statistics significance testing the p – value indicates the level of relation of the independent variable to dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is set statistically at 0.05 , then the conclusion would be that the model is significant in explaining the relationship otherwise it will be regarded as non-significant. As indicated in the table above, the relationship between procurement planning and performance of County was positively correlated and statistically significant (r= .655; p=0.000<0.05), professionalism and performance of County (r= .791; p=0.000<0.05), financial management and performance of County (r= .671; p=0.000<0.05), tendering and performance of County (r= .727; p=0.000<0.05).

4.5 Test of Multiple Regression Analysis
First, multiple linear regression requires the relationship between the independent and dependent variables to be linear. The linearity assumption was tested using scatter plots and it was found to be linear.

![Linearity Test](image.png)

Figure 4.3 Linearity Test
Second is Multivariate normality, the multiple linear regression analysis requires that the errors between observed and predicted values (i.e., the residuals of the regression) should be normally distributed. This assumption may was checked by a Q-Q-Plot.

Third assumption is that there is no multicollinearity in the data. Multicollinearity occurs when the independent variables are too highly correlated with each other. This was checked using Variance inflator factor as shown in table 4.13.

Fourthly the assumption of homoscedasticity was tested using a scatterplot of residuals versus predicted values and there was no clear pattern in the distribution.

![Histogram](image)

**Figure 4.4 Homoscedasticity Test**

Lastly normal distribution was checked using the normally distributed residuals; histogram of the residuals(errors) additionally the study use a P-P plot to test the normality. Distribution was found to be normal.
4.6 Regression Analysis

The regression model provided an $R$ square value of 0.817 in table 4.10. This implies that the predictors used in this model can explain 81.7% in variation of dependent variable.

Table 4.10: Multiple Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.904&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.817</td>
<td>.804</td>
<td>.38672</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

4.7 Goodness of Fit of Multiple Regression Model

The test of significance was estimated by use of ANOVA as indicated in Table 4.11
Table 4.11: Goodness of fit of multiple regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>37.943</td>
<td>4</td>
<td>9.486</td>
<td>63.427</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>8.525</td>
<td>58</td>
<td>.150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>46.468</td>
<td>62</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source Researcher (2018)

The model gave ANOVA regression sum squares of 37.943 and residual sum square of 8.525. The mean square for regression is 9.486 and a residual mean of 0.150. The results indicated that the overall model was statistically significant. The results further imply that the independent variables are good predictors of the dependent variable which was supported by an $F$-statistics value of 63.427 with a $p$-value of 0.000 which was less than the conventional probability of 0.05 significance level.
4.7 Multiple Regression Coefficients

The results on the regression coefficients of the variables are as indicated in Table 4.12

Table 4.12: Coefficients of the Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.671</td>
<td>.288</td>
<td>.327</td>
<td>.024</td>
</tr>
<tr>
<td>Procurement planning</td>
<td>.433</td>
<td>.060</td>
<td>.573</td>
<td>7.166</td>
</tr>
<tr>
<td>Professionalism</td>
<td>.326</td>
<td>.112</td>
<td>.300</td>
<td>2.912</td>
</tr>
<tr>
<td>Financial management</td>
<td>.098</td>
<td>.082</td>
<td>.134</td>
<td>1.188</td>
</tr>
<tr>
<td>Tendering</td>
<td>.001</td>
<td>.114</td>
<td>.001</td>
<td>.005</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

a. Dependent Variable: Performance of County Governments of Kericho
This is an implication that the variables used in the model namely, Procurement planning, Professionalism, and Financial management and tendering are significant in predicting the performance of County government of Kericho.

From the coefficient findings provided, it is clear that procurement planning has a major effect on the County performance as it gave a coefficient value of 0.433, \((t = 7.166)\) and a \(p\) – value of 0.000. This implies that a 1 unit increase in procurement planning results in 0.433 increase in independent variable which is performance of County government in Kenya. Similarly the table indicates that professionalism and County performance are positive, moderate and statistically significantly related at 0.326 \((t = 2.912)\) and a \(p\) significance level of 0.05. This implies that a 1 unit increase in the level of professionalism increases County performance of Kenya by 0.326.

Financial management and County performance were found to be positive weak and significantly related at coefficient values of 0.098, \((t =1.188)\) and a \(p\) – value of 0.240. This implies that 1 unit increase in level of financial management results in 0.098 increases in County performance. Tendering indicated a weak significant level of 0.001, \((t = 0.05)\) and a \(p\) – value of 0.996 which implies that a 1 unit improvement in tendering process results in 0.001 increase in performance of County government.
4.8 Collinearity Test

Table 4.13 Collinearity Test

The test on collinearity is as follows

<table>
<thead>
<tr>
<th></th>
<th>TOLERANCE</th>
<th>VIF(variance inflator factor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement planning</td>
<td>0.886</td>
<td>1.128</td>
</tr>
<tr>
<td>Professionalism</td>
<td>0.667</td>
<td>1.499</td>
</tr>
<tr>
<td>Financial Management</td>
<td>0.201</td>
<td>4.975</td>
</tr>
<tr>
<td>Tendering</td>
<td>0.2</td>
<td>5.000</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

As shown in Table 4.13 the results of the collinearity statistics as demonstrated by the Variance Inflated Factor (VIF) showed that the four determinants of procurement practices namely procurement planning (VIF = 1.128), professionalism (VIF =1.499), financial management (VIF=4.975) and tendering (VIF = 5.000) did not have multicollinearity problems since each has VIF less than 10. In other words, the influence of each of the named predictor variables on organizational performance was not subject to other independent variables. The results further reinforced the suitability of the regression model illustrated below.

Thus the predictive model provide by the research findings is as expressed below:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

\[ Y = 0.671 + 0.433X_1 + 0.326X_2 + 0.098X_3 + 0.001X_4 \]
Where:

\[ Y \text{ represents Performance of County government} \]

\[ B_0 \text{ represents the constant} \]

\[ X_1 \text{ represents procurement planning} \]

\[ X_2 \text{ represents professionalism} \]

\[ X_3 \text{ represents financial management} \]

\[ X_4 \text{ represents tendering} \]

\[ \varepsilon \text{ represents the error term} \]

The results of correlation analysis implied that when any of the four practices of procurement that is procurement planning, financial management and tendering was enhanced the performance of County government was likely to improve. On the other hand failure to properly implement proper practices is likely to weaken the performance of County government. It was further found that procurement planning and professionalism statistically strongly and positively influence performance of County government.

4.9 Hypotheses Testing

The results of the t-test shown in Table 4.14 were used to test the null hypotheses.
Table 4.14 Test of Hypotheses

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>P-value</th>
<th>Decision Rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₀₁ There is no significant effectiveness of procurement planning on</td>
<td>0.000&lt;0.05</td>
<td>Reject H₀₁</td>
</tr>
<tr>
<td>performance of county government of Kericho</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H₀₂ There is no significant effectiveness of professionalism on</td>
<td>0.005&lt;0.05</td>
<td>Reject H₀₂</td>
</tr>
<tr>
<td>performance of county government of Kericho</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H₀₃ There is no significant effectiveness of financial management on</td>
<td>0.240&gt;0.05</td>
<td>Fail to reject</td>
</tr>
<tr>
<td>performance of county government of Kericho</td>
<td></td>
<td>H₀₃</td>
</tr>
<tr>
<td>H₀₄ There is no significant effectiveness of tendering on</td>
<td>0.996&gt;0.05</td>
<td>Fail to reject</td>
</tr>
<tr>
<td>performance of county government</td>
<td></td>
<td>H₀₄</td>
</tr>
</tbody>
</table>

Source Researcher (2018)

According to the findings, the first null hypothesis H₀₁ which stated there was no significant effectiveness of procurement planning on performance of County governments was rejected at t =7.166; p<0.05. This implies that procurement planning has a positive significant effect on performance of county government. This agrees with Kavuva and Ngugi (2014) that proper procurement planning contribute to effective and efficient performance in local government procurement systems in Kenya. It is also in line with Basheka (2008) that procurement planning has positive implications on procurement performance.
The second hypothesis $H_{02}$ which stated there was no significant effectiveness of professionalism on performance of County governments was rejected at $t=2.912; p<0.05$. Professionalism has a positive significant effect on performance of county government of Kericho. This is in line with Basheka (2009) who argued that lack of professionalism results in corruption thus ultimately impedes compliance of procurement rules and regulations in procuring entities and adversely affects performance. Moreso it agrees with Raymon (2008) conclusions that if procurement officers are not professionally trained, lack awareness about all regulations in relation to procurement and related procedures, then serious consequences including breaches of codes of conduct occurs resulting to unsound procurement practices hence declined performance.

However the third hypothesis $H_{03}$ which stated there was no significant effectiveness of financial management on performance of County governments failed to be rejected at $t=1.188; p>0.05$. This implies that financial management has a positive but inverse effect on performance of county government of Kericho. However Alexender (2009) in his findings concluded that financial management practices are important for any public organizations which include budgeting process and proper controls. Furthermore Kashif (2010) findings on effect of financial management practices on corporate sector were positive and significant.

The last hypothesis $H_{04}$ which stated there was no significant effectiveness of tendering on performance of County governments failed to be rejected and $t=0.005; p>0.05$ respectively. Tendering has a positive but an inverse effect on performance of county government of Kericho. This is not in line with Neema Athumani (2012) argument that if tendering is performed and administered according to the laid down effective procedures and regulations the outcome is the best quality of goods delivered to the public expectations.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Findings

The study sought to describe the effectiveness of procurement planning on performance of County government. On this, the study found out that procurement planning on performance of county government of Kericho was positively correlated and statistically significant. Proper need identification on all procure goods and services, adequate need assessment carried out before undertaking procurement activities and reparation of timely delivery schedules regarding procurement activities at the County are important aspects of efficient and effective service delivery. However it was revealed that the County rarely involves all the stakeholders with regards to procurement activities. However Caldwell, Roehrich and Davies (2009) in his findings concluded that detailed specifications are necessary from all stakeholders involved. Nevertheless procurement planning at the County level was found to be effective and efficient. This confirms Mullins (2003) findings which revealed a positive relation between procurement planning and service delivery in local government systems in Uganda. It further agrees with Basheka (2008) who concluded that procurement planning has diverse implications on procurement performance. Furthermore it is line with the findings of Kavuva and Ngugi (2014) that proper procurement planning contributes to effective and efficient performance in local government procurement systems in Kenya.

Furthermore the study sought to examine the effectiveness of professionalism of procurement staff on performance of County government. It was established that professionalism was positively and significantly effective in efficient and effective service delivery. Qualified
procurement staffs who display a high level of professionalism as they discharge their duties enhanced effective service delivery. Additionally it was found out that adequate training of procurement staff had been carried at the County government. Moreover it was found that the more experienced a procurement staff is the more the positive influence on performance of County government. It was also found out that staff capacity building in procurement department at the County government was necessary so as to impact the necessary skills and knowledge required by procurement staff run their duties. Furthermore it was revealed that the County government has necessary tools and equipments for procurement staff to execute their mandate. This is in line with Armstrong and Baron (2008) who argued training is an important tool of Human Resource Management to control the attrition rate because it helps in motivating employees achieving their professional and personal goals, increasing the level of job satisfaction thus leads to increased productivity. Furthermore it agrees with Collins (2009) argument that an organization that manages procurement staff appropriately lead to superior financial performance accrued from avoiding the cost of unethical procurement practitioners. He further noted that training staffs is critical as it improves procurement practitioner’s skills and knowledge thus improved procurement performance. In his argument he concluded also that experience cannot also be ignored as it leads to efficiency and effectiveness of procurement performance. More so it is in line with Basheka (2009) who argued that lack of professionalism results in corruption thus ultimately impedes compliance of procurement rules and regulations in procuring entities and adversely affects performance.

Additionally the study sought to explain the effectiveness of financial management on performance of County government. It was found out the financial management was positively but inversely effective on performance of County government of Kericho. The study noted that
timely receipts of funds meant for procurement function governments and accountability in management of funds allocated for procurement of goods and services. Influence the performance of County. It was further revealed that budgetary allocations for various projects were effectively done. The study further showed that budget approval by members of County assembly greatly affects the procurement of various services at the County government and that mismanagement of funds at the County government had affected the performance of County government in terms of procurement activities to a great extent. Availability of adequate resources enhanced effective and efficient service delivery. This is agreement with Kashif (2010) findings on effect of financial management practices on corporate sector where the results of the study were positive and significant. It also agrees with Allison and Kaye (2005) who concluded that any financial management practices include but not limited to budgeting process, accountability and proper management of funds influence performance.

Finally the study concluded that tendering on performance of County government was positively correlated but inversely significant. The study found out that all the legal process of tendering was relatively followed at the County government. It was observed that effective access of information regarding tenders, supplier selection criteria and integrity are key aspects of tendering process. Furthermore it was found out that transparency and fairness in award of tenders at the County government was relatively short and was depicted to be unfair. However Rod Falley et.al (2007) in his findings concluded that measures to promote and regulate competition and to make procurement more transparent offer potential benefits in enhancing the competiveness and efficiency of the business environment should be enhanced. Furthermore Samwel (2009) concluded that open and efficient procurement ensures equal and fair
competition among suppliers resulting in effective use of limited public resources and thus contributing to the welfare of the nations

**5.2 Conclusion**

Based on the findings the study concludes that effective procurement practices have a positive and significant effect on performance of County government of Kericho.

On the first objective the study concluded that the effectiveness of procurement planning on performance of County of Kericho is positive and statistically related. An organization that does need identification and need assessment on all goods and services and strictly prepare delivery schedules as well as involving all the relevant stakeholders on procurement activities have high chances of delivering effective, efficient and timely services. According to stakeholders theory an organization should involve all stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints.

Furthermore the study concluded that professionalism of procurement staff on performance of County government of Kericho is positively and significantly effective. In principal -agency theory the operational nature of procurement expenditure, decisions made must be taken by the organizational management (Agents) on behalf of the company owners (principal) under the power entrusted to them through their employment contracts. Efficiency of the principal operations depends on the agent acts, decisions made by the parties to the relationship under act are key to performance. Though the principal and agents have conflicting objectives to some extent. Any County with experienced well trained staff with the necessary tools and equipment and displays high level of professionalism is guaranteed to offer effective and efficient service delivery. Training of employees is vital in developing strong work force.
Based on the outcome of the study financial management on performance of County government of Kericho was found to be positive and inversely significantly. According to Contigency theory an organization can move from one level of fit to the other gradually by laying out a strategic map which gives guidelines for the gradual change until it gets optimum level of fit which is equal performance of all fit points of the organization. There is different level of fit and financial management is one of them. Resource-allocation efficiency is not merely a matter of adopting sophisticated, theoretically superior investment techniques and procedures but consideration must also be given to the fit between the corporate context and the design and operation of the capital budgeting system. Timely receipts of funds, budgetary allocation for various projects and budget approval by the members of County assembly greatly affect the procurement activities at the County government. It was further concluded that mismanagement of financial resources which include but not limited to incurring wasteful expenditure and failure to keep proper records had negatively influence the performance of County. A County that has adequate resources and displays high level of accountability in management of the funds allocated to procure goods and services is likely to deliver timely effective and efficient services to its citizens.

Finally the study concluded that tendering on performance of County government was statistically positive and inversely significantly on effective performance. Any County that duly follows all the legal processes of tendering and appropriately selects their suppliers is guaranteed to offer quality and efficient services. Transparency, fairness, integrity and open tendering are important components of tendering.
5.3 Recommendations

5.3.1 Recommendations for Practice

The study recommends all the relevant stakeholders with regards to procurement to be involved in procurement of necessary materials, goods and services. More so the procurement department should assess the experience and capacity of the prospective suppliers and service providers so as to ensure timely services delivery which is according to the specifications.

It further recommends a capacity building for procurement staff which will equip them with the necessary skills required to handle dynamic changes of procurement systems at the County government. Furthermore procurement staff should be adequately equipped with tools and equipment necessary to execute their duties.

In addition the study recommends timely procurement budgeting which should be presented for approval on time. Adequate finances to be allocated to procurement activities which should be presented to the head of procurement at the right time. Management should come up with policies to curb mismanagement at the County level which should include strong financial management mechanisms in order to avoid wastage during procurement processes and activities.

Finally the study recommends the management at the County government to come up with relevant policies so as to ensure fairness, transparency and integrity in tendering process. From the findings of the study financial management and tendering processes in County government need to be improved.
5.3.2 Recommendation for Further studies

The present study was conducted to determine the effectiveness of procurement practices on performance of County governments in Kenya and it focused on County government of Kericho only. Further studies should be done in the same area but in other counties as the findings may not be the same. Furthermore a similar study can be carried the same county which should involve the recipients of service delivery. The studies should also incorporate Tendering and Financial management and other components of procurement practices.
REFERENCES


Kiruja, B. (2014). *Procurement Methods and Procurement Planning Among Paratataals under National Treasury*.


Ogolla, & Kinyua. (2013). *Project Planning and Implimentation in Local Governments*.


APPENDICES

Appendix I: Introductory Letter

Dear Respondent

I am a postgraduate student at Kisii University currently undertaking a Master’s degree in purchasing and supplies. Kindly spare some time to fill the attached questionnaires for which I will be grateful.

This research questionnaire is for the purpose of collecting information on Effectiveness of Procurement Practices on Organizational Performance on County Governments a case of Kericho County.

The respondent from this questionnaire will be used purely for academic purpose. You need not include your name. Any additional information that you might feel necessary for this study is welcome.

I have agreed to participate in this study ………………………… (Do not include your name)

Thanks in advance for your support

Regards,

Caroline Cherotich

Kisii University
Appendix II: Questionnaire

Fill in the questions as appropriate

PART 1

Background Information

1. Indicate your gender

   Male [ ]    Female [ ]

2. Your age bracket

   18-25 years [ ] 25-35 years [ ] 35-45 years [ ] 45 and above years [ ]

3. What is level of your education?

   K.C.S.E [ ]

   Certificate [ ]

   Diploma [ ]

   Undergraduate degree [ ]

   Post graduate degree [ ]

4. How many years have you served in the County?

   0-1 years [ ] 1-2 years [ ] 2-3 years [ ] 3-4 years [ ] 4-6 years [ ]
PART 2

SECTION A

**Procurement Planning**

Using the scale given below, indicate your level of agreement with the following statements (5= strongly agree, 4= agree, 3= neutral/undecided, 2= Disagree, 1= strongly disagree)

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<tr>
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<th>3</th>
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<tbody>
<tr>
<td>1. Need identification is done on all procured goods and services in the County</td>
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<td>2. Need assessment is carried out before undertaking procurement activities in the County</td>
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<tr>
<td>3. Preparation of delivery schedules is strictly done regarding procurement services at the County level</td>
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<tr>
<td>4. County most often involve all stakeholders with regards to procurement activities.</td>
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<td>5. Procurement planning at the County level is effective and efficient</td>
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<tr>
<td>6. Performance of County in terms of procurement planning is good.</td>
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</table>
**SECTION B**

**Professionalism**

Using the scale given below, indicate your level of agreement with the following statements

(5=strongly agree, 4= agree, 3= neutral/undecided, 2=Disagree, 1=strongly disagree)

<table>
<thead>
<tr>
<th>Statement</th>
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<th>4</th>
<th>3</th>
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<tbody>
<tr>
<td>1. Procurement staff at the County government displays high</td>
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<tr>
<td>level of professionalism</td>
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<tr>
<td>2. Adequate training of procurement staff has been carried</td>
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<td>out in the County government</td>
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<tr>
<td>3. The experience of procurement staff have an impact on</td>
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<tr>
<td>performance of County government</td>
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<td>4. Staff capacity building is necessary in procurement</td>
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<tr>
<td>department at the County</td>
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<td>5. Procurement staff have the necessary tools and equipment</td>
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<td>to execute their mandate</td>
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<tr>
<td>6. Professionalism of procurement staff is effective in</td>
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<tr>
<td>enhancing efficient and effective service delivery</td>
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</table>
SECTION C

Financial Management

Using the scale given below, indicate your level of agreement with the following statements

(5=strongly agree, 4= agree, 3= neutral/undecided, 2=Disagree, 1=strongly disagree)

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<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>1. Timely receipts of funds affect the procurement function at the County government</td>
<td></td>
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<tr>
<td>2. Budgetary allocation for various projects is done effectively</td>
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<tr>
<td>3. Budget approval by the MCAs greatly affect the procurement of various services at the County government</td>
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<tr>
<td>4. Mismanagement of funds have impacted the performance of County in terms of procurement activities</td>
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<tr>
<td>5. Accountability plays a crucial role in the management of funds allocated to procured products and services</td>
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<tr>
<td>6. Availability of adequate resources affect the performance of County government</td>
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</table>
SECTION D

Tendering

Using the scale given below, indicate your level of agreement with the following statements

(5= strongly agree, 4= agree, 3= neutral/undecided, 2=Disagree, 1=strongly disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>1. All the legal process of tendering have been duly followed at the County level</td>
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<tr>
<td>2. Award of tenders is transparent and fair at the County level</td>
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<td>3. Access of information with regard to tenders is effective and efficient in County government</td>
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<td>4. Supplier selection is critical in tendering processes</td>
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<td>5. Integrity is uphold during tendering processes at the County level</td>
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<tr>
<td>6. Tendering process at the County level is effective in enhancing the performance of County</td>
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</table>
PART 3

SECTION A

Performance of County Government of Kericho

Please rate the level of performance of County government in terms of the following indicators using the rating provided:

Very much Increased-5, Moderately Increased-4, Not Changed-3, moderately decreased-2, Very much decreased-1

<table>
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<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>1 Effectiveness and efficiency of procurement practices</td>
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<tr>
<td>2 Level of Accountability</td>
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<tr>
<td>3 Level of transparency and fairness</td>
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<tr>
<td>4 Timely deliveries</td>
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<tr>
<td>5 Delivery of right goods</td>
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<tr>
<td>6 Quality of service delivered</td>
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Appendix III: University permit letter

SCHOOL OF BUSINESS AND ECONOMICS
OFFICE OF THE COORDINATOR, POST-GRADUATE PROGRAMMES

Ref: KSU/SBE/CBM15/10090/15

Thursday, 13TH September, 2018

The Director,
National Commission for Science, Technology &
Innovation (NACOSTI)
NAIROBI.

Dear Sir,

REF: APPLICATION FOR A RESEARCH PERMIT FOR
CAROLINE CHEROTICH REG. NO.CBM15/10090/15

The above named is an MBA student in our institution who intends to carry out a Research. The intended study is titled; “Effectiveness of procurement practices on Performance of County Government in Kenya: A case of Kericho County Government.”

The purpose of this letter is to request you to give her a research permit to enable her conduct the research.

Thank you.

Dr. Joshua Waturu, PhD
COORDINATOR, POST-GRADUATE PROGRAMMES

JW/ab
Appendix IV: NACOSTI Authority Letter

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471, 2241349, 3340574, 2219420
Fax: +254-20-318245, 318249
Email: dp@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

Ref: No. NACOSTI/P/18/70004/26230

Date: 3rd November, 2018

Caroline Cherotich Chepkwony
Kisii University
P.O. Box 408-40200
KISII

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Effectiveness of procurement practices on performance of County Governments in Kenya: A case of Kericho County Government” I am pleased to inform you that you have been authorized to undertake research in Kericho County for the period ending 30th October, 2019.

You are advised to report to the County Commissioner and the County Director of Education, Kericho County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

Boniface Wanyama
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Kericho County.

The County Director of Education
Kericho County.
Appendix V: Research Permit

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

1. The License is valid for the proposed research, location and specified period.

2. The License and any rights thereunder are non-transferable.

3. The Licensee shall inform the County Governor before commencement of the research.

4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.

5. The License does not give authority to transfer research materials.

6. NACOSTI may monitor and evaluate the licensed research project.

7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.

8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

National Commission for Science, Technology and Innovation

P.O. Box 30623 - 00108, Nairobi, Kenya

TEL: +254 20 7000, 0713, 7895787, 0735 404245

Email: dg@nacosti.go.ke, registry@nacosti.go.ke

Website: www.nacosti.go.ke

Serial No. 21660

CONDITIONS: see back page

THIS IS TO CERTIFY THAT:

MISS. CAROLINE CHEROTICH

CHEPKWONY

of KISII UNIVERSITY, 77-20203

LONDIANI, has been permitted to conduct research in Kericho, County

on the topic: EFFECTIVENESS OF PROCUREMENT PRACTICES ON PERFORMANCE OF COUNTY GOVERNMENTS IN KENYA: A CASE OF KERICHO COUNTY GOVERNMENT

for the period ending:

30th October, 2019

Permit No: NACOSTI/P/18/70004/26230
Date Of Issue: 3rd November, 2018

Fee Received: Ksh 1000

Applicant's Signature

Director General
National Commission for Science, Technology & Innovation
Appendix VI: Publication Journal

INTERNATIONAL JOURNALS OF ACADEMICS & RESEARCH
IJARKE Business & Management Journal

Effectiveness of Procurement Practices on the Performance of County Governments in Kenya: A Case of Kericho County Government

Caroline Cherotich, Kisii University, Kenya
Prof. Christopher Ngacho, Kisii University, Kenya
Dr. Stella Oman, Kisii University, Kenya

Abstract

Procurement concept has dominated most of the county government’s activities. This is true because of the value attached to the role of procurement in enhancing the performance of County governments. The research seeks to investigate the effectiveness of procurement practices on performance of county governments a case of Kericho County. The following objectives guided the study: To describe the effectiveness of procurement planning on county governments performance, to examine the effectiveness of professionalism on county government performance, to explain the effectiveness of financial management on county government performance, and to establish the effectiveness of tendering on county governments performance. The study was guided by principal-agent theory, contingency theory and stakeholder’s theory. The study adopted descriptive research design. Census technique was adopted to select research participants. The study population comprised of 75 county staff and including: Head of procurement, procurement staff composed of senior managers, middle level managers and support staff as well as head of other departments and budget committee members (Finance department). Primary data was collected using close ended questionnaires. A pilot study was conducted before the main study to determine potential weaknesses in the data collection tool through validity and reliability test. SPSS software was employed in data analysis. Frequency distribution tables and bar graphs were used in data presentation. Descriptive statistics and inferential statistics were used to analyze data. The findings of the study showed that procurement planning and professionalism were highly effective in determining county government performance. However, financial management and tendering were moderately effective. The study recommended that all the relevant stakeholders with regard to procurement should be involved in procurement of goods and services, capacity building for procurement staff was found to be necessary, financial management techniques should be improved in the county government and that tendering process should be open, transparent and fair regardless of the type of goods or services to be procured.

Key words: Procurement practices, Procurement planning, Professionalism, financial management, Tendering, County Governments

1. Introduction

Procurement largely contributes to the local market in developing nations. The economy of majority of these nations is highly dependent on the way procurement activities are managed. Most government institutions utilize procurement avenues to promote local industries, enhance regional balance and bring about equality in the society at large (Kihara, 2009). Despite of the vital role played by procurement practices, it has been an avenue of wastage of public resources in the process benefiting few individuals especially cartels in government (Mokaya, 2013).

Caldwell, Roehrich and Davies (2009) argued that proper procurement planning is essential for an organization to procure right quality goods. Detailed specifications are necessary from all stakeholders involved. These stakeholders could be requesting entity, end users, procurement department, technical experts and even suppliers to give relevant inputs on specific requirements. A specification whether simple or complex, depends on the nature of procurement. He further argued that effective and efficient procurement process can only be achieved by proper planning and competent staff. PPD (2005), Public Procurement Act requires procuring entities to assess whether or not a particular procurement is necessary, which should take into account; the need to ensure that the procuring entity uses its resources effectively and efficiently; how the proposed expenditure would contribute to the entity’s desired output, and the procuring entity’s overall procurement performance. A procurement plan helps procurement entities to achieve maximum value for expenditure and enable entities to identify and address all relevant issues pertaining to a particular procurement before they can publicize their procurement notices to potential suppliers of goods and services.
Appendix VII: Plagiarism Report

research
by M Caro

Submission date: 29-Oct-2018 06:37 PM (UTC+0300)
Submission ID: 1028960000
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Word count: 19538
Character count: 122022
**research**

**ORIGINALITY REPORT**

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