# ANALYSIS OF FACTORS INFLUENCING IMPLEMENTATION OF PROCUREMENT STRATEGY AMONG REGULATORY PARASTATALS IN NAIROBI COUNTY

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A THESIS SUBMITTED TO SCHOOL OF BUSINESS AND ECONOMICS IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT OPTION) OF KENYA METHODIST UNIVERSITY

# **DECLARATION**

This thesis is my original work and has	not been submi	itted for a degree award in any
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# **DEDICATION**

This thesis is dedicated to my Family for being a source of inspiration towards my education and my friends. I appreciate their spiritual and material support that they accorded me as I worked on this thesis. Thank you and May the Almighty God bless you all.

# **ACKNOWLEDGEMENT**

I would like to express my gratitude to God for seeing me through this study. I would also like to express my gratitude to all those who gave their time and assistance towards the completion of this research thesis. Special thanks are given to my supervisor(s) Prof. Evangeline M. Gichunge and Mr. Michael Kiama for their supervision and encouragement through lectures and healthy advice throughout my thesis writing. Finally, special thanks go to my friends and classmates for their support and encouragement.

#### **ABSTRACT**

Today's organizational environment has become very competitive, increasingly uncertain and fast changing and hence, organizations need to plan and be flexible enough to accommodate the ever-changing environment. Due to that constant change, organizations need to adapt so as to strategically exploit emerging opportunities to ensure survival and success. Procurement strategy implementation is a process of implementing policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment. The implementation of procurement strategy in the regulatory parastatals depends on various factors which include; funds, organization structure, interests of members and communication. The main purpose of this study was to determine the factors influencing implementation of procurement strategies among regulatory parastatals in Nairobi County, Kenya. Specifically, the study focused on the extent to which managerial competence affect procurement strategy implementation; the extent to which resource allocation affects procurement strategies implementation; the extent to which organizational structure affects procurement strategies implementation; and analyzed the extent to which information communication technology affect procurement strategies implementation in regulatory parastatals in Nairobi County, Kenya. This study will be significant to the management regulatory parastatals in Nairobi County. The study will assist them formulate and design appropriate mechanisms to identify and overcome challenges in implementing procurement strategies so as to achieve the set goals, objectives and remain relevant in the ever-changing environment and position the regulatory parastatals strategically for success in the future. This study adopted descriptive research design and targeted 103employees of regulatory parastatals in Nairobi County, Kenya. The study was carried out through a census; questionnaires were used in data collection. Quantitative approaches were used for data analysis whereby Statistical Package for Social Sciences (SPSS version 23.0) was used to run descriptive and inferential statistics. The result indicated that, collectively Information communication technology has the highest positive influence on procurement strategy implementation, followed by resource allocation managerial competence, and organization structure. The findings suggested that, management in executive agencies should pay more attention on stakeholders and organizational culture if they have to benefit from those factors. The study concluded that, predictors individually and collectively influence execution of strategies. The findings are expected to be of value to the management and decision makers to form a basis for improving implementation of procurement strategy. Furthermore, studies can be done to other variables which influence implementation of procurement strategy but were not considered in this study or the same variables to different populations, locations and other sectors of economy in Kenya.

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# ABBREVIATIONS AND ACRONYMS

**AMREF** African Medical Research Foundation

**CEO** Chief Executive officer

**ERP** Enterprise Resource Planning

**HELB** Higher Education Loans Board

ICT Information Communication Technology

IT Information Technology

**KEMU** Kenya Methodist University

NACOSTI National Commission for Science, Technology and Innovation

**OGGO** Office of Greening Government Organization

**RBV** Resource Based View

**SCAC** State Corporation Advisory Committee

SPSS Statistical Package for Social Science

**USA** United States of America

#### **CHAPTER ONE**

#### INTRODUCTION

### 1.1 Background of the Study

Pearce and Robinson (2011) strategic management is a set of decisions and actions that result in the formulation and implementation and control of plans that are desired to achieve organization's objectives, mission and vision within the environment the business operates. At the core of the strategic management process is the development and implementation of strategy. Strategy formulation is the stage where the organization develops long range plans that will manage threats and opportunities in the environment. Strategy implementation is where by policies and strategies are put into actions by developing programs, procedures and budgets. The process of strategy implementation consists of the culture changes, structure and the overall management system of the organization (Wheelen & Hunger, 2008).

Strategy implementation is the process through which the intentions of strategy become real. Those involves with implementation are often invaluable sources of information about what really works and what — does not competitive advantage is really about creating value for customers. Thus, those involved directly with customers are often invaluable sources of information about technological and demographic trends as well as about competitor actions and customer preferences (Allen, 2011).

Strategy implementation takes place as a series of steps, programs investments, and moves that occur over an extended time. Special programs are undertaken. Functional areas initiate strategy related activities. Key people are added or reassigned.

Resources are mobilized. In other words, managers implement strategy by converting broad plans into the concrete, incremental actions and results of specific units and individuals. Implementation control is designed to assess whether the overall strategy should be changed in light of the results associated with the incremental actions that implement the overall strategy. The two basic types of implementation control are (1) monitoring strategic thrust and (2) milestone reviews (John & Richard, 2013).

Strategy formulation does not guarantee success in achieving strategic goals and objectives, but an effective strategy implementation process can increase the chances of implementing the projects that better accomplish the organizational objectives. It is thus not surprising that, after a comprehensive strategy formulation, significant difficulties usually arise during the implementation process. It is clear that a poor or vague strategy can limit implementation efforts dramatically. Good execution cannot overcome the shortcomings of a bad strategy or a poor strategic planning effort (Hrebiniak, 2006). Effective and successful implementation of strategy is subject to a number of factors both inside and outside the organization.

Procurement strategy implementation requires more than just the right pieces; it requires putting those pieces together correctly. Any breakdown along the chain, any missed pieces in the linkage between the concept and the customer and the implementation will fail and the competitive advantages suffer. Functional strategy and implementation are more perspiration than inspiration. Whereas the analysis of the environment the crafting of missions, and the formulation of strategies is a creative and cerebral endeavor, implementation is about really doing the work that brings the strategy to life as it was intended. It is tedious and details work, work that often happens behind the scenes and wise little fanfare (Allen, 2011).

Johnson and Scholes (2012) point out that the development and implementation of strategies by an organization or government to chart the future path to be taken will enhance the competitiveness of such firms operating in a competitive environment. However, they observe that many firms develop excellent strategies to counter and adapt to the environmental challenges but suffer a weakness in the implementation of the same strategies. Transforming strategies into action is a far more complex and difficult task.

Organizations seem to have problems in procurement strategy implementation: such as weak management roles in implementation, a lack of communication, lacking a commitment and misunderstanding of the strategy, unaligned organizational resources, poor organizational structures and uncontrollable environmental factors (Beer & Eisenstat, 2000). Strategy implementation therefore focuses on the distinct relationship between implementation and other various organizational elements. The strategy implementation process is identified by Sabatier and Weible (2007), as a process being undertaken through a systematic approach and provides a link between strategic consensus and success.

#### 1.1.1 The Concept of Strategy Implementation

Procurement strategy implementation is the process of putting strategies and policies into action through the development of programs, budgets and procedures (Bradford, 2000). Procurement strategy implementation is an enigma in many companies. Only one in every ten companies does an effective job of formulating strategy and equally implementing it. For the rest, presumably, the well-crafted strategy is lost in the press of day- today tactical concerns or its left to languish in a report on the dusty book

shelf of the chief executive officer CEO. Yet very few people would deny that, in today's fast moving and fast changing business world, strategy, with its long- range perspective, is critical. Strategic challenges are those pressures that exert a decisive influence on an organization frequently driven by the organizations future competitive position relative to other provisions.

Procurement strategy implementation requires strong leadership that enables allocation of resources, business process and policies that support the strategy. According to Atreya (2007), internal leadership is needed to drive strategy implementation process towards the right direction. What makes it even tougher to implement strategy is the varied range of activities that need to be performed and the varied skills needed to perform them. Just because the management has decided on strategy does not mean that subordinates will follow and cooperate in its implementation. A number of issues are involved including vested interest; office politics, existing attitudes and ingrained practices all of which play a major role in strategy implementation (Atreya, 2007).

### **Global Perspective**

In Asia, Gus O'Donnell (2014) of course Civil servants may be involved by being asked to deliver the ministers who may be then be mainly involved by being asked to deliver the ministries strategic plans, which was the case in the UK in respect of sector strategic plans and giving them legitimacy, which we can illustrate by reference to the Europe 2020 strategy that was prepared by the European commission but was signed off by the European council in 2010. The public-sector context appears to be very different concerns the continual and incessant use of the word "priorities" in

strategic planning and budgeting in the public sector by governments in all sorts of countries, including the UK, the US and the Russian Federation.

In USA, Tripathi (2014) argues training, mentoring and delegating competencies; these competencies should be required of supervisors and managers as well. They involve the ability to develop people under them to attain higher levels of excellence. The skills could consist of coaching, advising, transferring of knowledge and skills, and teaching and pinpointing employees where tasks can be transferred with trust and confidence. Tripathi, (2014) indicated that to enhance an employee's competencies towards improving performance are critical towards success of strategy implemented. It is important for management to develop employee competencies by identifying the necessary required training, mentoring and delegating of duties to employees to enable then be more knowledgeable and improve their performance.

### **Regional Perspective**

According to the White Paper of Strategy Implementation of Chinese Corporations in 2006, strategy implementation has become "the most significant management challenge which all kinds of corporations face at the moment". The survey reported in that white paper indicates that 83 percent of the surveyed companies failed to implement their strategy smoothly, and only 17 percent felt that they had a consistent strategy implementation process. It is apparent that strategy implementation is a key challenge for today's organizations. Various factors can influence the success of strategy implementation; people who communicate or implement the strategy, organization structure, systems or mechanisms in place for coordination and control, availability of both resources financial and non-financial (Machuki, 2011).

In South Africa, Shimizu (2012) argues that strategy implementation should not be regarded as linear process, strategy is first formulated by top management and then implemented by rank and file employees. Strategy needs to be temporal and thought to be an interactive process of implementation and refinement. Implementation of such a strategy needs intensive communication within an organization to fill the holes and make sense of ambiguous. Communication plays a key role in successful strategy implementation as a tool for accumulating different findings and ideas across an organization, coordinating such different ideas, and sharing outcomes and their reasons within organization.

### **Kenyan Perspective**

Njoroge (2013) studied factors that influence effective strategy implementation at the parliamentary service commission of Kenya and noted that resource utilization and bureaucracy in administration greatly influenced strategy implementation at the commission. The author suggested further studies should be conducted on impact of resource utilization and management structures across other sectors to establish whether the relationship still holds. Leadership is by far the most important factor influencing successful implementation of strategy in the service sector

Chege (2012) concluded that leadership and organization structure by far influenced implementation of strategies among petroleum firms in Kenya. The author focused on manufacturing sector. The findings further indicated that availability of resources and how well they are utilized during strategy implementation influences the desired outcome. The study by Chege highlighted the need to further research on impact of

leadership, organization structure and resource utilization as to how they influence strategy implementation in manufacturing sector.

#### 1.1.2 Profile of Parastatals in Kenya

According to the State Corporations Act, the Board of a State Corporation is responsible "for the proper management of the affairs of a State Corporation". The law therefore recognizes that the Board of Directors of a State Corporation is the engine that drives Corporate Governance in these Institutions. It is therefore imperative that directors who are recruited to these Boards must be competent, exercise financial probity, have the necessary skills and management acumen to run these State Corporations (Kariuki, 2008). The chief executive officer (CEO) of the State Corporation represents the board to the external stakeholders.

The Act also established an Inspector-General (Corporations) office whose mandate is to advise the government on the State of affairs of and matters affecting State Corporations; report to the minister on the management practices of State Corporations; inspect all records, books, returns and documents relating to the execution of the Corporations' functions and accounts thereof; and, inspect premises, plants and installation of state corporations. The Controller and Auditor-General is also empowered by the Act to work with the Inspector-General (Corporations) office in carrying out the function of oversight of State Corporations.

Besides the offices of the Controller and Auditor-General there is the office of the Inspector-General (corporations) which carries out the function of oversight of State Corporations. Other than the offices of the Controller and Auditor-General there is the office of the Inspector-General (Corporations) office, the Act established a State

Corporations Advisory Committee (SCAC) mandated with the review and investigation of the affairs of a State Corporation (Kariuki, 2008). Sections 27 and 28 provides for reorganization or even dissolution of a State Corporation, on the advice of SCAC for a Corporation which fails to realize its functions.

#### 1.2 Problem Statement

Many organizations today are focusing on becoming more competitive by launching competitive strategy that give them an edge over others. To do this, they need to craft winning strategies (Porter, 1980). However, most government organizations have not been able to formulate the strategies required to gain competitive advantage. Harvey (2005) points out that 80% of organizations directors believe that they have good strategies but only 14% believe that they implement them well. According to Mintzberg & Quinn, (1979), over 65% of organizational strategies fail to get implemented effectively. Bridging the gap between strategy formulation and implementation has since a long time been experienced as challenging for many organizations.

Hrebiniak (2006), notes that formulation of strategy is a difficult task for any management team, but implementation of the strategy throughout the organization is even more difficult. Implementing strategy is the most complicated and time-consuming part of strategic management. Hence, strategy implementation is a challenge and many factors influence the success or failure of strategy. It appears that only less than 30% of strategies developed are implemented.

Chelimo (2010) investigated the challenges of strategy implementation in Pensions Department, Ministry of Finance- Kenya. His findings were limited in scope as the focus was on only one department in the Ministry. Other Kenyan scholars including Mundia (2010), Nandama (2010) and Wanyama (2004) studied strategy in state corporations and did not directly examine the regulatory parastatals. From the review of the above-mentioned studies, it is apparent that studies focusing on factors influencing procurement strategy implementation in regulatory parastatals in Kenya have not been carried out hence a study on the regulatory parastatals filled this gap.

#### 1.3 General Objective of the Study

The general objective of this study was to assess factors influencing implementation of procurement strategy among regulatory parastatals in Nairobi County, Kenya.

### 1.3.1 Specific Objectives

- i) To analyze the effect of managerial competence on implementation of procurement strategies in regulatory parastatals in Nairobi County, Kenya.
- ii) To analyze how resource allocation influence implementation of procurement strategies in regulatory parastatals in Nairobi County, Kenya.
- iii) To analyze the role of organizational structure on implementation of procurement strategies in regulatory parastatals in Nairobi County, Kenya.
- To analyze the role of Information communication technology on implementation of procurement strategies in regulatory parastatals in Nairobi County, Kenya.

#### 1.4 Hypothesis of the Study

 $\mathbf{H}_{01}$ : There is no significant positive influence between managerial competence and implementation of procurement strategy.

 $\mathbf{H}_{02}$ : There is no significant positive influence between resource allocation and implementation of procurement strategy.

 $\mathbf{H}_{03}$ : There is no significant positive influence between organizational structure and implementation of procurement strategy.

 $\mathbf{H}_{04}$ : There is no significant positive influence between organizational communication and implementation of procurement strategy.

#### 1.5 Significance of the Study

The study points out other research areas for possible consideration by other researchers that could contribute to the existing body of knowledge on procurement strategic management practices. The research will add value to the body of knowledge for those researchers who may want to do further research in the same field. It will act as a source of secondary data to them. The findings could be used by the scholars to champion for strategies to improve procurement strategy implementation practices.

The results of the study and recommendations assist the policy makers in developing policies that better procurement strategic management practices.

The recommendations can be used by the government to pass legislations regarding their procurement strategy formulation control and implementation, which guide both individual employees, government establishments and various corporate bodies in the country. The findings of this study are valuable to employees working in regulatory parastatals in Nairobi County, Kenya as it informs them of the significance of strategic management practices and organization performance.

# 1.6 Scope of the Study

The scope of this study focused on the assessment of the factors influencing implementation of procurement strategy among regulatory parastatals in Nairobi County, Kenya. The study addressed procurement strategy implementation practices adopted by regulatory parastatals in Nairobi County, Kenya. The target population is 81 respondents which are employees of regulatory parastatals in Nairobi County, Kenya, were the respondents of the study. The staff included Procurement Directors, Procurement managers and Procurement clerks.

# 1.7Limitations of the Study

Respondents have a tendency to be suspicious of a researcher, it is also anticipated that some of the respondents were concerned about the extent of information they are required to provide without any repercussions, but this concern was addressed using the letter from KEMU University and providing necessary assurance to the respondents.

Confidentiality is a sensitive matter therefore it is anticipated to be an impediment. However, the researcher assured the respondents that none of the information will be used for any other purpose other than that which has been declared.

# 1.8 Definition of Key Terms

**Managerial competence** 

Sets of behaviors that enable individuals demonstrate the effective performance of tasks within the organization. Is any individual characteristic that can be measured or counted reliably and that can demonstrate significant distinction between effective and ineffective performance (Whiddett & Hollyforde, 2003)?

**Resource allocation** 

Resource allocation is the process of assigning and managing assets in a manner that supports an organization's strategic goals. Resource allocation includes managing tangible assets such as hardware to make the best use of softer assets such as human capital Gary & Briger (1989)

**Organizational structure** 

The typically hierarchical arrangement of lines of authority, communications, rights and duties of an organization. Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management (Gregory, Lampkin, Alan, Gerry & Bongjin, 2012).

**Information Communication Technology** is a technology that involves use of computers, software and internet connections infrastructure for supporting information processing and communication functions (Crompton 2007).

**Procurement** 

is referred to as acquisition of goods, services, capabilities and knowledge required by businesses, from the right source, the right quality, in the right quantity, at the right price and at the right time to maintain and manage a company's primary and support activities (Giunipero, 2016).

Strategy implementation Strategy implementation involves allocation of sufficient financial resources, personnel, time and establishing a chain of command or organization structure. It involves implementation of organization objectives towards attainment of goals that contribute efficiency to achieving performance outcome Kariuki (2008)

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents literature review, particularly theoretical framework and conceptual framework in addition to theories supporting this study. Literature have been derived from existing theoretical literature, critique existing literature about procurement strategy implementation, research gaps and literature summary is also presented.

#### 2.2 Theoretical review

According to strategic management procurement strategy implementation is strategically controlling or influencing growth and requires strategic planning. This study conforms to the following theories Resource based Theory RBV (1959), Agency theory (1980), and Knowledge-Based Theory (1976).

# **2.2.1 Resource Based Theory**

This theory was developed by Penrose in 1959. It is a method of analyzing and identifying a firm's strategic advantages based on examining its distinct combination of assets, skills, capabilities and intangibles as an organization. The RBV's underlying premise is that a firm differs in fundamental ways because each firm possesses a "unique" 12 bundle of resources-tangible and intangible assets and organizational capabilities to make use of those assets. Each firm develops competencies from these resources, and when developed especially well, these become the source of the firm's competitive advantage; (Pearce & Robinson, 2007). In the context of this theory, it is

evident that the resources that a firm has will play a big role in the strategic implementation process. This is because no matter how good the strategies are, without the necessary resources to enable the implementation, they remain in the planning phase. The resource-based approach sees firms with superior systems and structures being profitable not because they engage in strategic investments that may deter entry and raise prices above long run costs, but because they have markedly lower costs, or offer markedly higher quality or product performance.

This approach focuses on the rents accruing to the owners of scarce firm-specific resources rather than the economic profits from product market positioning. Competitive advantage lies 'upstream' of product markets and rests on the firm's idiosyncratic and difficult-to imitate resources. One can find the resources approach suggested by the earlier strategy literature. A leading text of the 1960s (Learned, 1969) noted that 'the capability of an organization is its demonstrated and potential ability to accomplish against the opposition of circumstance or competition, whatever it sets out to do. Every organization has actual and potential strengths and weaknesses; it is important to try to determine what they are and to distinguish one from the other. Thus, what a firm can do is not just a function of the opportunities it confronts; it also depends on what resources the organization can master.

New impetus has been given to the resource-based approach by recent theoretical developments in organizational economics and in the theory of strategy, as well as by a growing body of anecdotal and empirical literature that highlights the importance of firm specific factors in explaining firm performance. Cool and Schendel (1988) have shown that there are systematic and significant performance differences among firms which belong to the same strategic group within the U.S. pharmaceutical industry.

Rumelt (1991) has shown that intra industry differences in profits are greater than inter industry differences in profits, strongly suggesting the importance of firm-specific factors and the relative unimportance of industry effects. Jacobsen (1988) and Hansen & Wemerfelt (1989) made similar findings. The resource-based perspective puts both vertical integration and diversification into a new strategic light. Both can be viewed as ways of capturing rents on scarce, firm specific assets whose services are difficult to sell in intermediate markets (Teece, 1980). Empirical work on the relationship between performance and diversification by Wemerfelt & Montgomery (1988) provides evidence for this proposition. It is evident that the resource-based perspective focuses on strategies for exploiting existing firm specific assets.

However, the resource-based perspective also invites consideration of managerial strategies for developing new capabilities (Wernerfelt, 1984). Indeed, if control over scarce resources is the source of economic profits, then it follows that such issues as skill acquisition, the management of knowledge and know-how (Shuen, 1994), and learning become fundamental strategic issues. This theory is relevant to this study because effective strategy implementation requires both human and financial resources. Organizational performance is the measure of how good organizations do their jobs.

It is the measure of how efficient and effective an organization is and how well it achieves its objectives (Attewell & Rule, 2014). It is as a measure of how well an organization achieves its own vision through the fulfillment of its set goals and objectives that may be financial and/or non- financial that is a measure of organization's actual output or results against its intended outputs. The concept of the organizational performance is based upon the idea that an organization is the

voluntary association of productive assets, including human, physical, and capital resources, for achieving a shared purpose. It is inevitable for and organization to operate devoid of relying on both human and financial resource. This theory posits that efficient and successful procurement strategy implementation is dependent on organizational resources.

#### 2.2.1 Agency Theory

Agency theory is concerned with agency relationships. The two parties have an agency relationship when they cooperate and engage in an association wherein one party (the principal) delegates decisions and/or work to another (an agent) to act on its behalf (Mark, 1994; Fiegener, 1997). The important assumptions underlying agency theory is that; potential goal conflicts exist between principals and agents; each party acts in its own self-interest; information asymmetry frequently exists between principals and agents; agents are more risk averse than the principal; and efficiency is the effectiveness criterion. Two potential problems stemming from these assumptions may arise in agency relationships: an agency problem and a risk-sharing problem (Xingxing, 2012).

An agency problem appears when agents' goals differ from the principals' and it is difficult or expensive to verify whether agents have appropriately performed the delegated work (i.e. moral hazard). This problem also arises when it is difficult or expensive to verify that agents have the expertise to perform the delegated work (i.e. adverse selection) that they claim to have. A risk-sharing problem arises when principals and agents have different attitudes towards risk that cause disagreements about actions to be taken (Xingxing, 2012). The assumptions and prescriptions of

agency theory fit naturally with the issues inherent in supply chain quality management. In the process of managing supplier quality, buyers in agency relations are faced with potential problems. By their nature, buyers expect suppliers to provide good quality and to improve the quality of supplied products and/or services, but suppliers may be reluctant to invest substantially in quality, especially if they perceive that buyers are reaping all the benefits. The difference between buyers and suppliers will result in the two parties concerning themselves only with their self-interests (Xingxing, 2012). Agency theory determines how procurement managers execute procurement practices on behalf of tertiary public training institutions. Existence of poor principle agent relationship leads to low level of top management commitment and this also affects the relationship between institutions and the suppliers.

#### 2.2.3 Knowledge-Based Theory

The knowledge-based theory of the firm considers knowledge as the most strategically significant resource of the firm. Its proponents argue that because knowledge-based resources are usually difficult to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage and superior corporate performance (Ruud, Frambach, Jaideep, & Verhatt, 2003). This knowledge is embedded and carried through multiple entities including organizational culture and identity, policies, routines, documents, systems, and employees (Zander, 2007). The knowledge-based theory determines the nature organization human recourses capabilities which are mostly influenced by the nature of training given to the employees. Existence of professional trained staff in procurement field and availability of many staff with high education level plays an important role in

strengthening the organization capabilities in terms of trained manpower. The study thus used this theory to establish how an organization trains employee in order to equip them with knowledge that helps them to support effective implementation of procurement strategies.

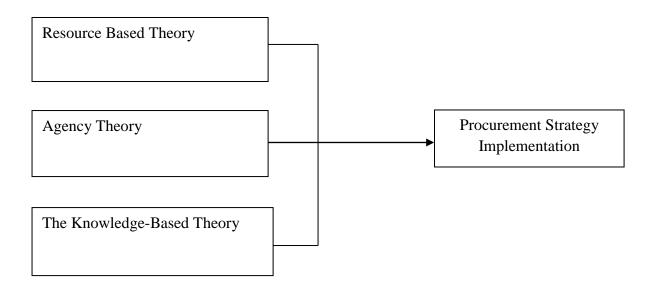


Figure 2.1: Theoretical Framework

Source: Author (2019)

# 2.3 Empirical Review

This section presents empirical studies on the dependent variables of the study which includes managerial competence, resource allocation, and organization structure and information communication technology.

### 2.2.1Managerial Competence

Competency is basically a mix of knowledge and skills that are needed for an effective performance, (Bhardwaj, 2013). Many studies showed that competencies is a cluster of the related knowledge, skills characteristics and attitudes that correlates

with effective performance and are able to be measured evaluated, and strength through training and development programs it is consider as a common term for employees to assert their working and show the real activities (Berge, Gifford, Zammuto, and Goodman, 2002), though, there are several definitions for competency, but basically, there are two definitions of competencies, the first one is the characterizes competencies which is the power that is linked and associated with persons' body.

The second definition of competencies is the personal capacity (e.g.) the abilities, skills, behaviors and knowledge to do a certain activity. Generally, competency is a mixed of the persons' knowledge, skills, ability and how employees behave in the work place, these aspects are an outcome that reflecting organizations performance level (Martina, Hana, & Jirl, 2012). Knowledge are behavioral attitudes that mostly predict success, and considered these behaviors are important for any organization thinking strategically and seeking prosperity.

Managerial Competence is one of the factors that influence procurement strategy implementation Kaynak (2013) suggested a positive association between management competence and procurement strategy implementation. The three types of skills include technical skills, leadership skills and conceptual skills. Authors diverge in the way they perceive the links between management practices and performance. Some authors think that there is a hierarchy in the management practices and that infrastructure practices may only have a positive effect on performance if core practices have also been established (Anderson, Allison, & Messick, 2011).

Strategic competency linked to organization mission and it is highly implemented in the managerial level, it is the approach that is predicting and determine the weakness and the strongest aspects in both internal and external environment, such SWOT analysis to evaluate the strength, weaknesses, opportunities and threats. This competency identifying the internal and the external factors that are favorable and unfavorable to achieve organization objectives, managers here is to focus on the organizations' resources and make sure that all their employees are working towards the planned objectives, it is a competency that continuously operating consist a methodological terms William (2010). Argued that strategic competencies is the ability and the efforts that are taken to seeks information for organizations mission and objectives specially business environment towards competitors, to lead rather than follow them, create a dynamic environment, consult the technical levels for right decision making, and to have a cognitive and the ability to direct organization strength to response directly for an emergency situation.

Ferri, (2011) argued hiring qualified employees, and align them to the organization's strategies will maintain current customer focus competency is the ability to keep customers satisfied by continuously flowing up customers' needs to meet their requirements and expectations by developing services and products. Management information system is help in gathering and follow up customers' needs and their feedback, such as: Proactive service: it is the way the organizations provide its services and keep its customers aware to any new. Second: Reactive service: to consider customers complains, and comments and understand their needs in order to meet them directly the author showed that customer focus competency leading to

customer satisfaction and loyalty that have an effect on the organization's performance

Competency has been showed as a cluster of related knowledge, skills and behavior that are linked with effective organizations performance. It can be measured and evaluated, and enhanced by training, since employees are able to enhance their skills and ability by reaching their work job and putting them in the hard tasks since performance and competencies are positive related, Tripathi & Agrawal (2014). There is a positive relationship between competencies and organizations performance. Similarly, Armstrong (2006) asserted that managerial competencies are dimensions that improving organizational performance.

Procurement strategy just like the general organizational strategies are dependent on various players in the organization for successful implementation. Thompson, Strickland and Gamble (2007) argues that concept of strategy defines various approaches that top corporate managers use to be able to achieve a better performance of the set of business which the organization has diversified to. Ansoff &McDonnell (1990) define strategic management as a process through which a firm manages its relationship with the environment in which it operates. Explains that many firms operate within an environment where they are expected to meet various stakeholders' expectations hence need to formulate strategies that would help them meet this need.

Aosa (2012) states that procurement strategic management helps organizations provide that long-term direction, whereby they view them in terms of their long-term implications for probable success. Strategies are therefore forward looking, designed to be accomplished several years into the future, and based on management

assumptions about numerous events that have not yet occurred, Pearce & Robinson (2009). Procurement therefore must find the strategic fit that is desirable and falling within the overall strategic direction an organization is taking in order to support the organization in attaining the overall goal. Procurement is at the centre of organizational performance.

Problem identification and solution competencies are about the ability to identify barriers that prevent achieving goals and outlined objectives. Problem identification and arriving at solutions cut across organizational functions and job positions. It also involves the application of systematic sets of procedures to eliminate and reduce the problem origins and causes. It requires skills like distinguishing between problems, symptoms and indicators, inputs and outcomes, gathering and assessing evidence relating to causes, and plotting a decision matrix and eventually choosing and recommending the best options. This competency should be required to positions that engage in evaluation, whether in managerial, supervisory, or technical job levels (Aosa, 2012).

Aosa (2012) argued that strategic competencies is the ability and the efforts that are taken to seeks information for organizations mission and objectives specially business environment towards competitors, to lead rather than follow them, create a dynamic environment, consult the technical levels for right decision making, and to have a cognitive and the ability to direct organization strength to response directly for an emergency situation.

Opondo (2011) investigated factors influencing strategy implementation at Kenya Power Limited. The study findings indicated that managerial competence and resource utilization and organization culture had an influence on strategy implementation at the organization. He further noted that miss management of funds and poor managerial practices contributed to unsuccessful implementation of strategy at the organization.

Managers transform their followers in three ways: increasing their awareness of task importance and value, getting them to focus first on team or organizational goals, rather than their own interests and activating their higher-order needs. Transformational managers use their personal values, vision, commitment to a mission, and passion to energize and move others towards accomplishment of organizational goals (Arbon, Facer & Wadsworth, 2012).

Rajasekar (2014) all argued that organizations with management team that is competent were successful implementers of strategies compared with those that lack competent management. They further noted that if an organizations management lacks the necessary competence needed to guide the organization towards successful strategy implementation, the organization will not be able to successfully implement its strategy even if it has the required resources and organization structure. This they argue that it is management that provides direction as to where the organization is heading and how it will get there.

Competence management is also a key lever of operational performance and risk management, enabling focusing on strategic initiatives instead of firefighting. Additionally, the competences of individuals need to be developed and maintained to ensure high-quality products and services. But competence management is not only about individual skills, it is also important to enforce organizational competences like

culture and practices that ensure continuous improvement and efficient ways of working for instance, an atmosphere that encourages workers to discuss challenges and improvement ideas (Kleiman, 2010).

#### 2.2.2 Resource Allocation

Resource allocation is one of the factors that influence procurement strategy implementation. For successful strategy implementation, the management needs to marshal resources behind the process of strategy execution. Too little resources will slow the process while too much funding will waste organizational resources and reduce the financial performance. Capital allocation therefore must be well distributed and thought of to promote strategy implementation. Financial resources can be a constraint on procurement strategy implementation. Management often finds it necessary to prioritize its strategies to make a judgment about which ones are most critical to implement given the finite or even scarce financial resources available (Sum & Chorlian, 2013). Schmidt (2013) asserts that an organization's budget should reinforce its procurement strategy implementation. In times of declining resources, it is even more critical that budget development and strategic planning be tightly connected to ensure funding shortfalls do not hinder implementation of strategy.

Resources that resist imitations, such as culture and reputation, are intangibles, and the result of complex interactions. They become crucial to explaining present competitive advantage. Regardless of the limitations in measuring resources, some empirical studies have statistically tested the original postulates of RBV, confirming the importance of resource sharing among business, and especially the association of intangible resources with performance (Herrmann, 2015). During the 1990s as we

have seen, the field of strategy focused its attention on those resources that are most likely to lead a competitive advantage. The organization should be set up to effectively deploy resources that are valuable, rare, and inimitable. This resource - based view of the firm (Barney, 2011), widely accepted today, maintains that the ability of a firm to perform better than its competitors depends on the unique interplay of human, organizational and physical resources overtime.

According to Otido (2009) resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation. (Sterling, 2003) notes that chronic lack of resources, capital and capacity hinders effective strategy implementation. "Effectiveness of strategy implementation is least in part affected by the quality of people involved in the process" (Govindarajan, 1989). "Quality in this case refers to the skills, attitudes, experience, capabilities and other characteristics of people required for a specific task or position" (Peng & Litteljohn, 2011)

Elbanna, Andrew and Pollanen (2016) provided a breakdown of total company expenditures that are utilized by major stages in the innovation process, and the proportion spent on successful versus failed strategies. They concluded that successful firms spent more on the early stages of implementation. Otido (2009) on the other hand identified that there should be a process of ensuring that all necessary time financial resources, skills and knowledge are made available. Resources are closely linked with operational planning and has a great deal of impact on communication and on providing training and incentives. In strategy implementation the main areas to look into when allocating resources are the procedures of securing and allocating financial resources for the new strategy, information and knowledge requirements, the time available to complete the process and the political and cultural issues within the

company and their impact on resource allocation. Carola & Steven (2013). viewed that some strategies fail because not enough resources were allocated to successfully implement them. As per analysis above, this study looked into factors to consider when allocating resources. Organizations have four key resource areas that is people, information and technology, finance.

The resource allocation and budgeting process is one of the most powerful stages of planning and implementation of organization strategies. Resource allocation refers to the distribution of resources, and in particular finance, from the center to peripheral levels. Budgeting implies the more detailed determination of precisely how these funds are to be used. It is important for an organization to manage its financial resources effectively and efficiently to ensure that its stated objectives and goals are achieved. Realistic planning of finances is key to the implementation of a project or programme. A professional and transparent approach to budget planning will help convince investors, development banks and national or international donors to make financial resources available.

Daft (2010) argued that the major challenge of strategy implementation in organizations is a failure to translate statements of strategic purpose into an identification of those factors critical to achieving these objectives and the resources and competencies which will ensure success. For a successful strategy implementation, the organization should be able to allocate resources and control performance in line with the strategy. Thompson and Strickland (2011) who opined that strategy implementation triggers managers into the budgeting process. How well a strategy implementer ties the organization's budget directly to the needs of strategy can; either promoter or impede the process of strategy implementation and execution.

Too little funding deprives sub units of the capability to carry out their pieces of the procurement strategy implementation, while too much funding is a waste of resources.

Generally, the budget has mainly two functions. First, it estimates, as realistically as possible, the cost of completing the objectives identified in the project proposal. The sponsoring agencies (organization itself or commercial and donors) will use the budget details to determine whether the proposal is economically feasible and realistic. Secondly, the budget provides a means to monitor the project's financial activities over the life of the project. In this way, it is possible to determine how closely the actual progress toward achieving the objectives is being made relative to the proposed budget (University of Virginia, 2010).

Bryson (2011) the direct funding tools available to the organization for mobilizing financial resources are profits, credit facilities from commercial banks, donor funding, or through mergers and acquisitions. The organization may employ any one or a combination of many to meet its requirements of funds to implement projects. He further noted that it is important for an organization to account for all available funds available to them before starting the allocation process. They organization is also to account for existing projects and the need for their funding to be considered during allocation.

According to Kirui (2013) human resource personnel is the key strategic resource during strategy implementation; therefore, it is essential for organizations to effectively utilize the know-how of their employees at the right places. It is the challenge of management to allocate them to their most useful tasks as well as

coordinating and integrating activities of participating employees and functions. He further argued that even if an organization has developed a superior strategy and has the financial resources needed, there is need to have competent implementation. Allocation of unqualified personnel towards strategy implementation has a negative influence towards strategy implementation.

#### 2.2.3 Organizational Structure

Strategy implementation involves operationalizing of procurement strategy implementation at the various levels of the organization. Pearce and Robinson (2011) postulate that implementation of strategy is a process that cuts across the hierarchies of the organization and requires team working with each level playing a supportive role to the others. Strategic level of the organization plays an important role of ensuring availability of the required resource for strategy implementation and development of the appropriate structural fit (Daft, 2010). The resource required by the organization for strategy implementation can be strategically acquired through external organizational modes. Building of strategic alliances, mergers and acquisitions helps to make up for the resource's deficiency in an organization (Das, 2014). The organization shall however require an appropriate structure fit to accommodate such external organizational modes and to attain the required flexibility. The desired structural fit is acquired through restructuring process. Alton, Mausam, Beh and Hong (2011) suggests that both organic and mechanistic structures are applied at strategic level of strategy implementation. Mechanistic structures allow the board to exert authority for the policies developed while organic structures are applied to effectively communicate the strategy to the organization. Board and senior

management meetings also apply organic structures in ensuring participation (Collins, 2007)

Structural challenges occur where the structure of the organization is not aligned to the strategy. Porter (1985) is of the view that a misfit between the strategy and structure shall pose a challenge to strategy implementation. The generic model developed by Michael Porter of porter aligns structure to strategy by defining the various forms of strategies open to an organization. Low cost strategy is aligned to mechanistic structures while differentiation strategy is aligned to organic structures. Mechanistic structures provide a higher challenge during strategy implementation due to their rigidity (Daft, 2010).

Costs and risks of strategy implementation are usually very high and pose an implementation challenge. Ohmae (2012) applies transactional cost theory to suggest that the cost to strategy implementation arise from transaction, production or operations, adapting, monitoring and the learning curve costs. High costs are a major risk to an organization which is implementing strategy. Organisation adopts external organizational arrangements such as joint ventures, mergers, acquisitions and strategic alliances to spread the risks and share the cost of strategy implementation (Das, 2011).

Employee commitment challenge arises when employee fail to support the strategy during the implementation phase. Armstrong (2012) provides that such lack of support emanates from a failure to involve the employees during strategy formulation. The strategy is therefore viewed as a top management project that is little understood

and is misinterpreted. The strategy lacks ownership from the employees and its implementation is resisted (Alton et al., 2001).

Strategic level of the organization plays an important role of ensuring availability of the required resource for strategy implementation and development of the appropriate structural fit (Daft, 2010). The resource required by the organization for strategy implementation can be strategically acquired through external organizational modes. Building of strategic alliances, mergers and acquisitions helps to make up for the resource's deficiency in an organization (Das, 2014). The organization shall however require an appropriate structure fit to accommodate such external organizational modes and to attain the required flexibility. The desired structural fit is acquired through restructuring process. Alton et al., (2001) suggests that both organic and mechanistic structures are applied at strategic level of strategy implementation. Mechanistic structures are applied to exert authority for the policies developed while organic structures are applied to effectively communicate the strategy to the organization. Board and senior management meetings also apply organic structures in ensuring participation (Collins, 2007)

Every organization has a unique structure. An organizational structure is the reflection of the company's past history, reporting relationships and internal politics. Every organization needs to take a very close look at its organization structure and evaluate if it supports the strategy. Organizations may need to customize their organizational structure to fit their strategy. The three focus points in relation to identification of the appropriate structure needed for strategy implementation include; first and foremost, identification of critical activities in the organization's value chain. These are the activities that are critical to the strategic process while others are not. Organization

structure is therefore an important factor in strategy implementation at all the levels of the organization. Organic structures are more effective in strategic implementation because they allow for flexibility or agility which enables the organization to adjust its operations to suit various changes that may occur during strategy implementation process. Mechanistic structures ensure following of the prescribed guidelines, action plans and procedures during strategy implementation (French, Lumpkin, Alan, Gerry & Bongjin, 2012).

Organizational structure: functional, divisional and matrix structure that are adopted by organization towards achieving their desired performance and achievement of their goals and objectives. Functional structure is set up so that each portion of the organization is grouped according to its purpose. In this type of organization, for example; there may be a marketing department, a sales department and a production department. The functional structure works very well for small businesses in which each department can rely on the talent and knowledge of its workers and support itself.

Michael (2011) organization structure of an organization conforms to its way of operations and strategies implemented. He further noted that the organization structure adopted by an organization is greatly influenced by the strategies adopted by the firm towards achieving its goals and objectives. Michael (2011) indicated that organizational structure is mainly influenced by strategy. Michael (2012) further noted that aspects of organization structure as height, span of control, and the department aspect were mainly influenced by the strategy adopted by the organization.

A good organizational structure enables an organization to implement its strategy. To facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, i.e. employees at all levels, and across all divisions and functions (Hill, 2009). Organizational structure determines the departments and functions in an organization; it defines the hierarchy, span of control and reporting relationships, and includes the systems for communication, coordination and integration across these divisions and functions, both vertically and horizontally. A clear hierarchy needs to be defined from the Board of Directors through middle management all the way down to the operational employees.

Hill (2009). while evaluating the effects of effective corporate governance on the success of government parastatals advised that the hierarchy should clarify the span of control that each of the employees has, i.e. the people and tasks they are responsible for and have authority over. As the organization has been divided into separate functions and divisions, which all together should strive to achieve the same organizational objectives, communication and coordination across these functions and divisions is needed. Through integrating mechanisms, such as direct contact, liaison roles and cross-functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization (Hill, 2009). Organization structures are essential part of strategy implementation in many organizations be it private or public.

A study done by Kibuchi (2011) on the effective management of transportation companies showed that relation between unrelated diversification and harmonization of organizational structure was positive while it was negative for vertical integration

strategies and equivocal for related diversification. Another study done by Debowski (2006) on effective management of public organizations also showed that congruence between structure, processes and systems is more important for performance (sufficient condition) than organizational fit with environment (necessary condition). This has been reinforced by the fact that in cases where organization's success prospective strategies are found, then they have organic organizational forms.

#### 2.2.4 Information Communication Technology

The revolution in the use of ICT has profound implications for economic and social development and has pervaded every aspect of human life. The use of ICT is widespread and regarded as an essential tool for the efficient administration of any organization and in the delivery of services to clients. Hagen, Abdalla, Hassan, Morsheda (2009), states that ICTs are being integrated into procedures, structures, and products throughout businesses, governments, and communities. Information Technology (IT) is a technology that involves use of computers, software and internet connections infrastructure for supporting information processing and communication functions (Crompton, 2007). The use of information technology in public sector has not been effectively implemented since most of the procurement functions are subjected to manual procedures that are slow, inaccurate and infective.

Bell (2007), information technology is a general term that describes any technology that helps to produce, manipulate, communicate or disseminate information. ICT merges computing with high-speed communication links carrying data, sound and videodisc can also be defined as an automatic acquisition, Storage, manipulation, movement, control, display, switching interchange, transmission or reception of data

or information. The two important major components of ICT are computers and telecommunications. A computer is a programmable, multiple machine that accepts data, raw facts and figures and processes or manipulates these into information that is easily understandable which enhances speed processing of information leading to increased organization productivity (Compton, 2007).

Information and Communication Technology (ICT) is a multi-trillion-dollar industry. A study on the elusive nature of delivering benefits from IT investment by Nancy (2018) found that ICT investment offers potential for significant organizational improvement and competitive advantage. However, ICT investment does not always translate into monetary rewards. Reports of project failure, budget and timescale overruns, and limited or negative returns are not uncommon. Some organizations may lack objective information regarding the benefits and costs investing in ICT (Nancy, 2018).

Further, evaluation complexity increases as ICT becomes more integrated in organizational structures and processes and when different interconnected ICT. Projects take place simultaneously. A study by Nancy (2018) on the effective measurement and management of ICT costs and benefits found that the difficulties associated with evaluating ICT costs and benefits are "super challenging". Simultaneous investment in technologies from automate, informate and transformate eras makes evaluation more difficult. Accurately determining total ICT costs is often impaired by incorrect overhead allocation procedures and unclear system boundaries. Remote unanticipated effects may also arise, which decreases the chances of total costs being accounted for Nancy (2018).

Returning to Caniato, Longoni, and Moretto, (2012) the framework they propose is divided into three stages: pre-implementation, implementation, and post implementation. The pre-implementation phase addresses the identification of the goals of the project before selecting the appropriate functionalities to ensure achieving those goals. During the implementation phase, the functionalities (e-procurement elements) selected in the previous phase are introduced within the company. Furthermore, Caniato et al., (2012) argue that within this phase, the implementation should be frozen until the desired benefits are verified being achieved. They also highlight that some possible changes in management might be needed in this phase. In the final phase, post-implementation, assessment of whether the desired benefits have been attained or not should be the main focus. The implementation model Caniato et al., (2012) propose is quite similar to Lewin's change model with a clear diagnosis and an analysis phase, which are Lewin's first two stages.

According to Baily (2007) organization with effective IT infrastructure can easily automate its procurement functions by implementing an Enterprise Resource Planning (ERP) system. ERP is a system that integrates all organizational functions into a single system in order to serve the needs of each different department within the enterprise. ERP is more of a methodology than a piece of software, although it does incorporate several software applications, brought together under a single, integrated interface. According to Lambert (2004), Electronic Data Interchange (EDI) is a communication technology used to facilitate effective execution of procurement functions by most organizations.

Michael (2010), explains that Electronic Data Interchange refers to computer-to computer exchange of business documents in a standard format. Chopra (2004)

affirms that EDI describes both the capability and practice of communicating information between two organizations electronically instead of traditional form of mail, courier, and fax. The benefits of EDI are; quick access to information, better customer service, reduced paperwork, increased productivity, improved tracing and expediting, cost efficiency, competitive advantage and improved billing. Through the use of EDI, supply chain partners can overcome the distortions and exaggeration in supply and demand information by improving technologies to facilitate real time sharing of actual demand and supply information.

Handfield (2009) study found out that integration of procurement functions with ICT has enabled many public training institutions to improve the level of effectiveness in the execution of procurement practices. A study by Maqsood (2010) found that implementation of ICT based procurement methods in many public institutions in Africa is hindered by lack of e-procurement methods, lack of automated procurement systems, lack of supportive ICT infrastructure and 60 absence of ICT skills amongst procurement staff. A study by Tanzi (2009) found that in Canada, innovation in technology has played a major role in enhancing many organizations to adopt effective procurement practices.

Chang (2008) affirms that IT plays a great role towards supporting adoption of centralized procurement systems in public sector organizations. Centralized procurement system leads to a central procurement data base that creates a favorable environment for effective automation of procurement processes. Chopra (2004) affirms that there are two primary types of procurement systems: electronic procurement and standard procurement. Both types of systems are widely available and are often included in an enterprise resource planning (ERP) or accounting

software product. Charles (2008) concurs that, as purchasing departments have become larger and more complex, most organizations have adopted IT based systems that have created a platform for installation of automated procurement systems.

The Canadian federal government procurement policies emphasize similar economically oriented aspects of purchasing as those found in Europe including mandates concerning promotion of competition and value for money. However, in addition to these, Canadian public procurement policies include foci on non-discrimination and ensuring procurement opportunities from Aboriginal businesses. The Canadian federal government founded the Office of Greening Government Operations (OGGO) in 2005, which developed its Policy on Green Procurement in 2006. Through this policy, all government bodies are required to formulate green procurement targets and all personnel responsible for procurement need to be trained in green procurement. The OGGO provides purchasers with a decision-making toolkit and a checklist on their web site to encourage them to consider sustainability (Bovaird, 2007).

Bazini (2015) did a study on ICT application in the insurance industry: its impact in customer relationship management. Primary data were collected through primary research using a decision maker survey about ICT implementation within insurance companies in Albania. The sample used for the data collection was a random one. According to Bazini (2015), the adoption of ICT use among the insurance companies is become a necessity, taking in consideration the need faster insurance operation, faster processing of customer claims and companies' liabilities. Most insurance companies in Albania, now see the need to include ICTs in their business goals even though they face the challenges of formulating the right policies that should

strategically position ICTs for effective service delivery to their customer. Engagement of the qualified professional and consultants within the insurance companies, who will be responsible for the ICT use, is a very important decision to be taken in consideration by the executives and decision makers. They are aware that positioning ICT strategically, a much better perception and utilization level should take place (Bazini, 2015).

Wanjiru and Abdalla (2014) conducted a study on the effects of information communication technology adoption on procurement process in Kenya's oil industry. The purpose of this study was to map the effects of ICT adoption in procurement processes using Total Kenya limited case. The study revealed that the impact of ICT adoption on procurement processes mainly refers to time reductions and quality improvements, rather than cost reductions as reported by many authors. The old view that ICT applications are associated with cost reductions is contested in this research. The study found that company is likely to realize improvements in cycle time reductions and process quality. In terms of ICT adaptability, the study found that the company had not adopted more complicated e-business applications. From the study it is also clear that the adoption of ICT applications is not exclusively a matter of resources on the contrary, operational compatibility and the level of supply chain collaboration are two of the factors that play a determinant role in increased ICT adoption and impact assessment.

Owino, Keraro and Wanjiku (2015), did a study on factors that influence the performance of information communication technology projects in Kenya. This study sought to investigate factors that influence performance of ICT Projects in Kenya carried out in Nairobi County. The study adopted a descriptive survey design. Bolo

(2015) did a study on drivers for implementation of e-business in the insurance sector in Kenya. This study sought to examine the drivers for adoption of e- business by insurance companies in Kenya. A descriptive research design was used to undertake the study. The population from which the study was undertaken was all the companies licensed to undertake insurance business in Kenya, whose number stood at 43as at June 2013. A representative sample of 26 insurance companies, representing 60% the whole population was selected at random, which is within the limits of the generally accepted statistical conditions. Findings of the study show that the factors influencing implementation of e-business in the insurance sector in Kenya are categorized into two -technological and managerial.

Guzeh (2011) conducted a study on application of information and communication technology as a strategic tool in insurance companies in Kenya. The study found that insurance companies practice formal strategic planning to a great extent and ICT strategy development has also taken center stage.

In Kenya, the concept of effective procurement has only attracted attention in private sector organizations while in public sector no measures have been made to promote implementation of effective procurement practices (Patrick, 2008). A study by Matunga, Nyanamba and Okibo (2013) on the effect of e-procurement on efficient of procurement in public hospitals established that Kisii Level 5 hospital uses e-tendering, e-quotations and e-sourcing as the main e-procurement applications and that the greatest challenges faced when using e-market provider were inadequate funding, organization's inability to handle change management and lack of training of employees on how to use the system. The study concluded 62 that public hospitals

have adopted some of the e-procurement applications regardless of the challenges that accompany the adoption.

Charles (2008) found out that over 46% of firms in Canada had succeeded in implementing effective procurement practices through application of strategic sourcing strategies such as global sourcing, multiple sourcing and supplier development. However, another study by Michael (2009) notes that in South Africa, many organizations employ single sourcing strategy and lack effective sourcing strategies for supporting effective implementation of sustainable procurement practices.

#### 2.4 Research Gap

From the literature review it is evident that numerous studies have been conducted outside Africa, particularly concerning determinants of procurement strategy implementation. It is also important to note that a lot of research in his area has been conducted in United States of America and Britain. Determinants of procurement strategy implementation are significant study that enables managers to understand which independent variables influence procurement strategy implementation of regulatory parastatals. This study sets to determinants of procurement strategy implementation of regulatory parastatals in Nairobi County in Kenya.

It is important to note that, recent studies about procurement strategy implementation in Kenya have focused cooperative societies in other Counties but not Nairobi County. There is no study that has been carried in Nairobi County in Kenya; this study sets to establish determinants procurement strategy implementation.

## 2.5 Conceptual Framework

A Conceptual framework is a hypothesized model identifying the model under study and the relationships between the dependent variable and the independent variables (Mugenda & Mugenda, 2006). A research conceptualizes the relationship between variables in the study and shows the relationship graphically or diagrammatically.

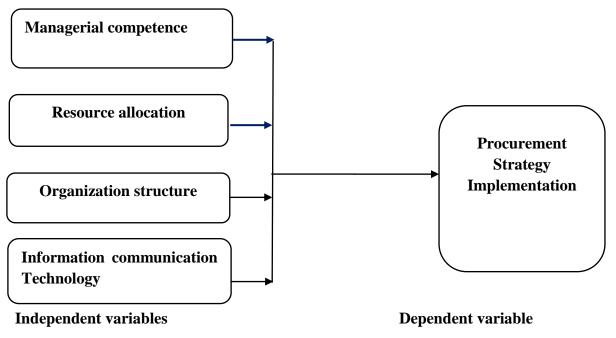
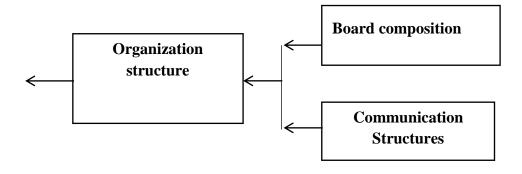


Figure 2.2: Conceptual Framework

Source: Author (2019) **Independent variables Dependent Variable Parameters Decision making Managerial competence** Control **Budgeting Resource allocation Procurement Strategy Staff placement** implementation Right quality 42 Lead time Right source Right price





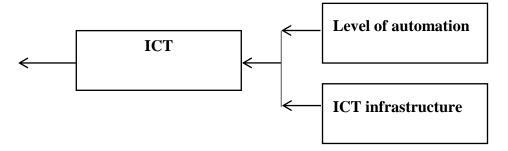


Figure 2.3: Operational Framework

Source: Author (2019) CHAPTER THREE

#### RESEARCH METHODOLOGY

## 3.1. Introduction

The section of the study presents research methodology and techniques that were used to conduct this study. It describes research design, target population, sample size and sampling procedure. The chapter ends by explaining how data was collected and analysed, and reliability and research ethics are also considered.

#### 3.2. Research Design

A research design is described as the blueprint of carrying out a research study (Kothari, 2008). Research design shows the procedure of conducting a research study. Descriptive survey is a method of collecting information by interviewing and administering questionnaires to a sample of individuals (Kothari, 2008). A descriptive survey research design was used in this study to explore factors influencing successful implementation of strategy. Descriptive survey enables the collection of information through questionnaires to determine the opinions, attitudes, preferences and perceptions of persons of interests to the research (Kothari, 2008). Descriptive design allows the researcher to generate both numerical and descriptive data that can be used in measuring the relationship between variables as well as determining their influence on the successful implementation of strategy.

## 3.3. Target Population

According to Maxwell (2012) population is the total target group who would in the ideal world, be the subject a researcher is interested with, in gaining information for and drawing conclusion. The population of the study composed of the Procurement director, Procurement managers and Procurement clerks within the regulatory parastatals in Nairobi County. The target population was arrived at guided by the fact that they are entrusted with formulation of procurement strategies.

**Table 3.1. Target Population** 

Category	Target population	Percentage (%)
	(Employees)	

Procurement Directors	26	25.25
Procurement Managers	26	25.25
Procurement clerks	51	49.5

Total	103	100.0

Source: (HR Records, Regulatory Parastatals)

# 3.4 Sampling Procedure

According to Mugenda and Mugenda (2011) sampling is a survey frame of the accessible persons, events, documents that can be used in a survey from which a researcher can collect data from. In this study purposive sampling was used.

The sample size will be determined based on the following *Yamane's'* formula.

$$n = \frac{N}{1 + N(e)2}$$

Where by:

N is the population size, n is the sample size, and e is the level of precision.

At 95% confidence level at p = 0.05 and N = 103.

Sample size  $n = 103/1 + 103 (0.05)^2$ 

Sample size n = 81.

Table 3.2: Sample Size

<b>Target Population</b>	Sample Size
Procurement Directors	26

1 Ottu	OI.
Total	81
Procurement clerks	29
Procurement Managers	26

Source: Researcher (2019)

#### 3.5. Data Collection Instruments and Procedures

This section presents data collection instruments as well as data collection procedures that were employed in carrying out this study.

## 3.5.1. Primary Data

The study used primary data which was largely quantitative in nature, collected by use of questionnaire with structured questions. Primary data was collected using self-administered questionnaires. The questionnaire is made up of structured questions using likert scale. The questionnaire has four parts, first part was to collect the respondent's demographics and the three other parts to collect information with respect to the research questions. The questionnaires were delivered to the respondents both by hand (drop and pick). It was assumed that the selected organization officials are involved in strategy implementation at the regulatory parastatals. Because of the nature of the study that looked at factors that influence effective strategy implementation, procurement directors, managers and clerks at the organization were targeted to obtain response.

Pretesting of the data collection instruments was performed in order to ascertain both data reliability and validity. Pre-tests of research data gathering tools helped the researcher assess the efficiency and the clarity of the instruments and its ease of use (Mugenda & Mugenda, 2003). This method allowed errors to be identified and acts as

a tool for training the research team before actual data collection begins (Sekaran, 2003). To conduct the pretest, the researcher prepared and administered a total of 10 pilot testing questionnaires to 10 prospectively selected members of respondents. The pretest respondents were requested to go through the draft questionnaire and answer as the real respondents would. Afterwards the researcher sought their views on whether the questions elicited the kind of responses required, and used their feedback in order to help in making adjustments in the questionnaire and approve it for distribution to the study respondents for data collection.

## 3.6. Data Analysis

Data collected was standardized using various control measures, including checking for completeness and consistency before the data entry process. Questionnaires were coded and each questionnaire given a unique identification number before data entry. These numbers were entered and used as a check out for any inconsistencies in the data. The data was checked by the researcher to ascertain their completeness and internal consistency. The data analysis was done by the help of SPSS version 23 (critical package for social scientist). After data analysis the data was analysed descriptively and presented using frequency tables.

Multiple regression analysis was also be carried out using the following model.

$$Y = \beta 0 + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \varepsilon$$

Whereby;

B0 = is a constant term

 $X_1$  =Managerial competence

 $X_2$  =Resource allocation

 $X_3$  =Organizational structure

 $X_4$  =InformationCommunication Technology

 $\varepsilon$  = is the error term

## 3.7. Validity of Instruments

Validity is the extent to which differences found with a measuring tool reflect true differences among respondents being tested (Copper & Schindler, 2003). Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. Validity can be measured by the extent the data obtained accurately reflects the theoretical or conceptual concepts; that is if the measurements gotten are consistent with the expectations.

Tichapondwa (2013) recommends that supervisors scrutinize items formulated to check if they match the requested criteria (clarity, intelligibility, neutrality among others). This is in line with suggestions by Cohen and Manion (1994) who argued that supervisors can be used to give objective opinions on contents of research instruments to ensure content and construct validity.

## 3.8 Reliability of Instruments

According to Joseph (2011) for a researcher to achieve validity and reliability has to pre-test or pilot test the questionnaire using a sample of the respondents who have characteristics similar to the target population. The test internal consistency the researcher used Cronbach's Alpha; reliability values should exceed a threshold of 0.7.

#### 3.9. Research Ethics

Research ethics is the code of conduct a researcher abides by when conducting a research (Resnick, 2012). Firstly, from both Kenya Methodist University (KEMU) and from National Commission for Science, Technology and Innovation (NACOSTI), these are the relevant bodies to obtain research authorisation from. Secondly, the identity of respondents was not disclosed, participants and their gender shall not be disclosed publicly. Thirdly, the respondents were not promised any benefits whatsoever in order to participate in this study. Lastly, no plagiarised material was presented in the final document and all sources of materials were acknowledged in the list of references using APA referencing.

#### **CHAPTER FOUR**

## **RESULTS AND DISCUSSION**

## 4.1 Introduction

This chapter presents the findings obtained from the primary data. It further provides characteristics of the respondents and their opinions concerning the study were to assess procurement strategy implementation in regulatory parastatals in Nairobi County. For the case of simplification of this presentation, the researcher used tables that summarize responses of the respondents.

#### **4.2 Response Rate**

The target population of this study was 26 regulatory parastatals in Nairobi County. The targeted respondents were Procurement director, Procurement managers and Procurement clerks within the 26 regulatory parastatals in Nairobi County. Out of 81 questionnaires administered, being the sample size of the study, a total of 56 questionnaires were filled and returned, this gave a response rate of 69.13%. Nachmias and Nachmias (2004) have pointed that survey researches face a challenge of low response rate that rarely goes above 50%. They further suggest that a response rate of 50% and above is satisfactory and represents a good basis for data analysis.

#### 4.3 Reliability Analysis

The analysis of reliability was done using (Cronbach's Alpha which evaluates internal consistency by establishing whether certain items within a scale measure the same construct validity. According to Kothari (2008) recommends that Alpha value threshold should be 0.7. The illustration on Table 4.1 depicts that all the five scales were reliable because their reliability values exceeded a threshold of 0.7. This infers that the research instrumentation was reliable.

**Table 4.1: Reliability Analysis** 

Determinant	No of items	Cronbanch's	
			Verdict
Managerial competence	5	. 734	Reliable
		. 976	
Resource allocation	6		Reliable
Organizational structure	6	. 893	Reliable
Organizational structure	O	. 925	Rendoic
Information Communication Technology	5	. 723	Reliable

		. 781
Strategy implementation	5	Reliable

Source: Researcher (2019)

Cronbach's alpha results indicate that the data collection instrument had consistency because all values are above threshold value of 0.7. These results confirm that the instrument was reliable.

## **4.4 General Information of the Respondents**

This study sought to find out general information, this included gender, age, education level, years of experience and designation in the regulatory parastatals in Nairobi County.

## 4.4.1. Gender Distribution of the Respondents

The researcher sought to evaluate gender distributions of the respondents. The results were tabulated in Table 4.2 below.

**Table 4.2: Gender of the Respondents** 

Gender	Frequency	Percentage
Male	34	60.7
Female	22	39.3
Total	56	100

Source: Researcher (2019)

The study findings show that male respondents were 60.7% while female respondents were 39.3%. This implies that in regulatory parastatals in Nairobi County consider gender equality even though male employees remain dominant.

#### **4.4.2** Age Brackets of the Respondents

The study sought to establish the age distribution of the respondents. Results are summarized below in Table 4.3.

Table 4.3: Age Brackets of the Respondents

Age Brackets	Frequency	Frequency
Below 30	9	16.1
30-34 years	25	44.6
35-39 years	14	25.0
40-44 years	5	8.9
Above 45 years	3	5.4
Total	56	100

## Source; Researcher (2019)

Majority of the respondents were in the age bracket of 30-34 yearswere44.6%. Those in the age of bracket 35-39 yearswere25.0% while below 30 years were 16.1%. Age bracket between 40 and 44 years were 8.9%. The implication is that majority of senior management position in the regulatory parastatals in Nairobi County were aged above thirty years.

#### 4.4.3 Working Experience in the Company

The respondents were requested to indicate the duration of time they have worked with the company. The responses are shown in the Table 4.4.

**Table 4.4: Working Experience in the Parastatals** 

Age brackets	Frequency	Frequency	
Below 5 years	18	32.1	
6-10 years	32	57.1	
11-15 years	4	7.2	
16-20 years	2	3.6	
Total	56	100	

Source: Researcher (2019)

From the findings in Table 4.4, 57.1% of the respondents have worked in their respective companies between 6 and 10 years, 32.1% have worked for their respective companies below 5 years while 7.2% have worked for their respective companies between 11-15 years, 3.6% have worked for their respective companies between 16-20 years. The implications of these findings show that the respondents have worked a long time enough and were conversant with effects of procurement strategy implementation in regulatory parastatals in Nairobi County.; therefore, they gave in valuable information for the study.

#### 4.4.4. Education Level

The respondents were requested to indicate their highest education level. The results are as under in the Table 4.5

**Table 4.5: Education Level** 

Age Brackets	Frequency	Frequency
Diploma	12	21.4
Undergraduate	36	64.3
Masters	5	8.9
PhD	3	5.4
Fotal	56	100

Source: Researcher (2019)

Findings indicate that 64.3% of the respondents had university degree, 21.4% had post diplomas, and 8.9% had either a master's degree while 5.4% of the respondents had doctoral degree. This implies that the respondents were literate enough to interpreted and respond to the objectives of the study conclusively.

## 4.5 Descriptive Results

This section presents descriptive analysis findings on the independent (managerial competence, resource allocation, organization structure, information communication technology) and dependent variables (procurement strategy implementation) of the study.

#### 4.5.1 Procurement Strategy Implementation

The study respondents were requested to show their level of agreement with the statements in relation to procurement strategy implementation. The results are shown in Table 4.6.

**Table 4.6: Descriptive Statistics for Procurement Strategy Implementation** 

	N	Mean	Std. Deviation
Quality of product is always satisfactory in our	56	3.80	1.566
organization			
Lead time always influence procurement process	56	4.32	.956
in our organization			
Right source enables us to have quality product	56	4.50	1.062
Finances are available for supplier's payment in	56	4.29	1.246
our organization			
The annual procurement plan is generally	56	4.75	.477
implemented in our organization		, с	.,,,
Valid NI (list sed as)	5.0		
Valid N (list wise)	56		

#### Source:Reseacher (2019)

The analysis in Table 4.6 shows that the majority who scored the highest mean of 4.75 and a standard deviation of 0.477 agreed that the annual procurement plan influences strategy implementation. This was closely followed by those who agreed that Right source enable us to have quality product at a mean of (4.50) and a standard deviation of (1.062). Furthermore resopndents agreed that Lead time always influence procurement process in our organization with a mean of (4.32) and a standard deviation of (0.956). Finances are available for supplier's payment in our organization at a mean of (4.29) and a standard debviation of (1.246), and Quality of product is always satisfactory in our organization mean (3.80) and a standard devaiation of (1.566).

# 4.5.2 Influence of Managerial Competence on Procurement Strategy Implementation

The respondents were requested to show their level of agreement with the statements in relation to influence of managerial competence on Procurement Strategy Implementation. The results are as shown in Table 4.7

Table 4.7:Influence of Managerial Competence on Procurement Strategy Implementation

	N	Mean	Standard deviation
Management is capable of providing direction and control during strategy implementation	56	4.57	.499
Low level employees are involved in decision making and strategy implementation	56	4.30	.807
The mid-level management has a good working relationship with low level employees enhancing strategy implementation	56	4.39	.493
The top management has a good working relationship with middle level management enhancing strategy implementation	56	3.88	.974
The organizations management is competent	56	4.50	.632

Source: Reseacher (2019)

Managerial competence has been acknowledged to be one of the factors that influence procurement strategy implementation in regulatory parastatals. The study wanted to establish the claim. The respondents were therefore required to rate their responses on a likert scale of 1-5 where: 5= Strongly Agree; 4= Agree; 3= Undicided; 2= Disgree; 1=Strongly Disagree. The analysis in Table 4.8 below shows that the majority who scored the highest ( M=4.57, SD=0.499) agreed that management is capable of

providing direction and control during strategy implementation. This was closely followed by the organization's management is competent (M=4.50, SD=0.632). Futher more resopndents agreed that the mid-level management has a good working relationship with low level employees enhancing strategy implementation with(M=4.39,SD=0.493), and Low level employees are involved in decision making and strategy implementation(M=4.30,SD=0.807). The top management has a good working relationship with middle level management enhancing strategy implementation(M=3.88,SD=0.974).

This finding agrees with Ateng (2014) organizational culture is placed amongst the fundamental issues, since the cultural dimension it is critical to all aspects of organizational behavior. He argues further that, if strategy implementation is going to realize its full success of radically improving the way enterprises 'do business, alternating of the organizational culture have to be well thought-out as a fundamental part of the process. The study further agrees with Wachira (2012) who investigated factors influencing strategy implementation at Kenya Power Limited. The study findings indicated that managerial competence and resource utilization and organization culture had an influence on strategy implementation at the organization. He further noted that miss management of funds and poor managerial practices contributed to unsuccessful implementation of strategy at the organization. Managers transform their followers in three ways: increasing their awareness of task importance and value, getting them to focus first on team or organizational goals, rather than their own interests and activating their higher-order needs. Transformational managers use their personal values, vision, commitment to a mission, and passion to energize and

move others towards accomplishment of organizational goals (Arbon, Facer & Wadsworth, 2012).

## 4.6 Influence of Resource Allocation on Procurement Strategy Implementation

The respondents were requested to show their level of agreement with the statements in relation to resource allocation. The results are as shown in Table 4.8

Table 4.8: Influence of Resource allocation on Procurement Strategy Implementation

	N	Mean	Standard Deviation
The organization has enough resources to facilitate strategy implementation	56	4.59	.496
The organization has the desired financial strength to implement strategy	56	4.11	.623
The management motivates its employees to enhance performance and enhance strategy implementation	56	4.38	.558
The management manages the organizations resources effectively	56	4.66	.549
The allocated resources are used optimally to achieve effective strategy implementation	56	4.73	.447
The human resource personnel at the organization is qualified to enhance strategy implementation	56	4.25	.769

Source: Reseacher (2019)

Resource allocation has been acknowledged to be one of the factors that influence Procurement Strategy Implementation in regulatory parastatals. The respondents were therefore required to rate their responses on a likert scale of 1-5 where: 5= Strongly Agree; 4= Agree; 3= Undicided; 2= Disgree; 1=Strongly Disagree. The analysis in table 4.8 below shows that all the respondents in the category agreed that; The

allocated resources are used optimally to achieve effective strategy implementation, (M=4.73, SD=0.447), The management manages the organizations resources effectively(M=4.66, SD=0.549), the organization has enough resources to facilitate strategy implementation(M=4.59, SD=0.496). The management motivates its employees to enhance performance and enhance strategy implementation(M=4.38,SD=0.558), and The human resource personnel at the organization is qualified to enhance strategy implementation(M=4.25,SD=0.769).

The organization has the desired financial strength to implement strategy (M=4.11, SD=0.623). This finding agrees with Kirui (2013) human resource personnel is the key strategic resource affecting strategy implementation; therefore, it is essential for organizations to effectively utilize the know-how of their employees at the right places. It is the challenge of management to allocate them to their most useful tasks as well as coordinating and integrating activities of participating employees and functions. He further argued that even if an organization has developed a superior strategy and has the financial resources needed, there is need to have competent implementation. Allocation of unqualified personnel towards strategy implementation has a negative influence towards strategy implementation.

The study findings further agree with Bryson (2014) the direct funding tools available to the organization for mobilizing financial resources are profits, credit facilities from commercial banks, donor funding, or through mergers and acquisitions. The organization may employ any one or a combination of many to meet its requirements of funds to influence implement projects. He further noted that it is important for an organization to account for all available funds available to them before starting the

allocation process. The organization is also to account for existing projects and the need for their funding to be considered during allocation.

# 4.7 The effect of Organizational structure on Procurement Strategy Implementation

The respondents were requested to show their level of agreement with the statements in relation to organization structure. The results are as shown in Table 4.9

**Table 4.9: Organizational Structure on Procurement Strategy Implementation** 

	N	Mean	Standard Deviation
The organization structure is bureaucratic	56	4.21	.889
The current organization structure enhances institutional effectiveness	56	4.02	.904
The nature of our organization structure inhibits the free flow of information critical to strategy implementation	56	4.05	.444
The current organization structure does not allow employee participation in decision making	56	4.75	.437
To enhance strategic implementation success, my organization selects the right people for key positions	56	4.54	.687
Managers always determine the degree of authority needed to manage each organization unit bearing in mind both the benefit and cost of decentralized decision making	56	4.12	.715

## Source: Author (2019)

Organization structure has been acknowledged to be one of the factors that influence Procurement Strategy Implementation in regulatory parastatals. The respondents were therefore required to rate their responses on a likert scale of 1-5 where: 5= Strongly Agree; 4= Agree; 3= Undecided; 2= Disgree; 1= Strongly Disagreeall the respondents

agreed that the current organization structure does not allow employee participation in decision making at a (M=4.75, SD=0.437), To enhance strategic implementation success, my organization selects the right people for key positions (M=4.54, SD=0.687), the organization structure is not bureaucratic, (M=4.21, SD=0.889). Managers always determine the degree of authority needed to manage each organization unit bearing in mind both the benefit and cost of decentralized decision making(M=4.12, SD=0.715), and The nature of our organization structure inhibits the free flow of information critical to strategy implementation, (M=4.05, SD=0.444).

This finding agrees withstudy done by Kibuchi (2011) on the effective management of transportation companies showed that relation between unrelated diversification and harmonization of organizational structure was positive while it was negative for vertical integration strategies and equivocal for related diversification. The study further agrees with another study done by Debowski (2016) on effective management of public organizations also showed that congruence between structure, processes and systems is more important for performance (sufficient condition) than organizational fit with environment (necessary condition). This has been reinforced by the fact that in cases where organization's success prospective strategies are found, then they have organic organizational forms.

# 4.8 Information Communication Technology on Implementation of Procurement Strategy

The respondents were requested to show their level of agreement with the statements in relation to information communication technology. The results are as shown in Table 4.10

Table 4.10: Influence of Information Communication Technology on Procurement Strategy Implementation

	N	Mean	Standard Deviation
Communication enables employees to know the new requirements, tasks and activities to be performed by the affected employees	56	4.16	.890
Uncertainty when management doesn't communicate disrupts work and makes employees feel as if they aren't a part of the decision	56	4.54	.503
Communication keeps employees updated regularly about the plans and progress toward the change implementation.	56	4.68	.471
Failing to communicate with all employees invites rumors and fear into the workplace	56	4.57	.568
ICT enable to know what's going on, whether it is positive or negative news	56	4.61	.493

## Source: Author (2019)

Information communication technology has been acknowledged to be one of the factors that influence Procurement Strategy Implementation in regulatory parastatals. The respondents were therefore required to rate their responses on a likert scale of 1-5 where:5= Strongly Agree;4= Agree; 3= Undecided; 2= Disgree; 1=Strongly Disagree. The analysis in Table 4.11 shows that all the respondents at the majority of the respondents agreed that communication keeps employees updated regularly about the plans and progress toward the change implementation (M=4.68, SD=0.471). ICT enable to know what's going on, whether it is positive or negative news, (M=4.61, SD=493). Failing to communicate with all employees invites rumors and fear into the workplace (M=4.57, SD= 0.568), and Uncertainty when management doesn't communicate disrupts work and makes employees feel as if they aren't a part of the decision (M=4.54, SD=0.503). Communication enables employees to know the new

requirements, tasks and activities to be performed by the affected employees (M=4.16, SD=0.890).

The study findings agree with Chang (2014) affirms that IT plays a great role towards supporting adoption of centralized procurement systems in public sector organizations. Centralized procurement system leads to a central procurement data base that creates a favorable environment for effective automation of procurement processes. Chopra (2004) affirms that there are two primary types of procurement systems: electronic procurement and standard procurement. Both types of systems are widely available and are often included in an enterprise resource planning (ERP) or accounting software product. According to Baily (2007), organization with effective IT infrastructure can easily automate its procurement functions by implementing an Enterprise Resource Planning (ERP) system. ERP is a system that integrates all organizational functions into a single system in order to serve the needs of each different department within the enterprise.

## 4.9 Hypothesis Testing

This section of the study presents findings on regression, analysis of variance and coefficient of determination.

## 4.9.1 Relationship Between Independent Variables

This section shows the relationship between dependent variables and independent variables among themselves.

## **Table 4.11: Relationship Between Independent Variables**

		(	Correlations			
		Strategy Implementati on	Management competence	Resource allocation	Organization structure	Information Communicati on Technology
Strategy	Pearson Correlation	1	-	-		-
Implementa	Sig. (2-tailed)					
tion	N	56				
Managemen	Pearson Correlation	.581**	1			
t	Sig. (2-tailed)	.000				
competence	N	56	56			
Resource	Pearson Correlation	.664**	.136	1		
allocation	Sig. (2-tailed)	.006	.057			
	N	56	56	56		
Organizatio	Pearson Correlation	.504**	.047	.121	1	
n structure	Sig. (2-tailed)	.002	.732	.376		
	N	56	56	56	56	
Information	Pearson Correlation	.736**	210	.152	113	1
Communica	Sig. (2-tailed)	.007	.120	.263	.406	
tion Technology	N	56	56	56	56	56

The findings in the Table 4.14 indicate that there is a positive correlation between management competence and procurement strategy implementation in the regulatory parastatals at significant 0.05 level, the strength is average, at 58.1%. The same findings show that there was a positive correlation between resource allocation and procurement strategy implementation in the regulatory parastatals at significant 0.05 level, the strength is though strong, at 66.4%. The findings continue to signify that there is a positive correlation between organization structure and procurement strategy implementation in the regulatory parastatals at significant 0.05 level, the strength is though average, at 50.4%. The findings postulate that there is a strong positive correlation between information communication technology and procurement strategy

implementation in the regulatory parastatals at significant 0.05 level, the strength is average at 73.6%.

## 4.9.2Relationship Between Dependent and Independent Variables

This section shows the strength of relationship between dependent variables and independent variables

**Table 4.12:Model Summary** 

Model Summary

-				Std. Error of the
Model	R	R Square	Adjusted R Square	Estimate
1	.787 <sup>a</sup>	.619	.379	.669

a. Predictors: (Constant), managerial competence, resource allocation, organization structure, information communication technology b. Dependent Variable: Procurement Strategy Implementation.

Source: Researcher (2019)

Referring to Table 4.13 the study establishes the R<sup>2</sup> to be 0.619 implying that 61.9%, of Procurement Strategy Implementation of regulatory parastatals in Nairobi County, Kenya is explained by managerial competence, resource allocation, organization structure, and information communication technology leaving 38.1% unexplained. This implies to some extent that there is strong explanatory power for the whole regression. Therefore, future researchers should carry studies to find out other factors (38.1%) influencing Procurement Strategy Implementation other than (managerial competence, resource allocation, organization structure, and information communication technology) affecting Procurement Strategy Implementation of regulatory parastatals in Nairobi County, Kenya. These results are also in tandem with Hitt, Ireland and Hoskisson (2013) who state that, managerial competence, resource

allocation, organization structure, and information communication technology provides the opportunity to explore competitive possibilities and then allocate resources to activities that will shape the competitive advantages the firm will need to be successful in the future.

**Table 4.13: Relationship Between Independent Variables** 

		A	NOVA			
Mod	lel	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.282	4	4.821	20.780	.003 <sup>b</sup>
	Residual	11.843	51	.232		
	Total	31.125	55			

- a. Dependent Variable: Procurement Strategy Implementation
- b. Predictors: (Constant), managerial competence, resource allocation, organization structure, information communication technology

Source: Researcher 2019

The probability value of p<0.00 indicates that the regression relationship was highly significant in predicting how managerial competence, resource allocation, organization structure, information communication technology influence Procurement Strategy Implementation of regulatory parastatals in Nairobi County, Kenya.

**Table 4.14:Relationship Between Dependent and Independent Variables** 

		(	Coefficients			
				Standardized Coefficients	-	
M	odel	B Std. Error		Beta	t	Sig.
1	(Constant)	.877	1.510	-	.581	.564
	Managerial competence	.447	.202	.293	2.216	.031
	Resource allocation	.483	.191	.319	2.534	.014
	Organization structure	.230	.111	.272	2.080	.043
	Information	.614	.191	.410	3.219	.002
	communication					
	technology					

## a. Dependent Variable: Procurement Strategy Implementation

Source: Researcher (2019)

Specifically, Information communication technology has the highest positive influence on Procurement Strategy Implementation, followed by Resource allocation, Managerial competence and organization structure. Individual significance of the predictor variables was tested using t-test. The findings reveal that Information communication technology Resource allocation, Managerial competence and organization structure were individually statistically significantly related to Procurement Strategy Implementation p-value<0.05.

The results in the Table 4.14 established that taking all factors into account (managerial competence, resource allocation, and organization structure and information communication technology) constant factor was 0.877 due to variation. Also a unit change in managerial competence while setting the coefficient of other independent variables zero would lead to a change in Procurement Strategy Implementation among the regulatory parastatals by a factor of .447; a unit change in

resource allocation while setting the coefficient of other independent variables zero would lead to an increase in Procurement Strategy implementation among the regulatory parastatals by a factor of .483; a unit change in organization structure while setting the coefficient of other independent variables zero would lead to an increase in Procurement Strategy Implementation among the regulatory parastatals by a factor of .230; a unit change in information communication technology while setting the coefficient of other independent variables zero would lead to a change in Procurement Strategy implementation among the regulatory parastatals by a factor of 0.614;

The findings reveal that Information communication technology Resource allocation, Managerial competence and organization structure were individually statistically significantly related to Procurement Strategy Implementation p-value<0.05. Hence all the hypotheses were rejected.

The finds are in tandem with Handfield (2009) study found out that integration of procurement functions with ICT has enabled many public training institutions to improve the level of effectiveness in the execution of procurement practices. A study by Maqsood (2010) found that implementation of ICT based procurement methods in many public institutions in Africa is hindered by lack of e-procurement methods, lack of automated procurement systems, lack of supportive ICT infrastructure and 60 absence of ICT skills amongst procurement staff. A study by Tanzi (2009) found that in Canada, Resource allocation, Managerial competence and organization structure has played a major role in enhancing many organizations to adopt effective procurement practices.

## **CHAPTER FIVE**

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

This chapter presents the study summary, conclusion and recommendations according to the study findings and interpretations to the study. In addition to the researcher provides suggestions for further research study areas. The chapter ends with provision for implications for policy and practice revived from the research findings.

## **5.2 Summary of the Findings**

The main objective of the study was to determine the factors influencing implementation of procurement strategies among regulatory parastatals in Nairobi County, Kenya. Specifically, the study will focus on the extent to which managerial competence affect procurement strategy implementation; the extent to which resource allocation affects procurement strategy implementation; the extent to which organizational structure affects procurement strategy implementation; and analyze the extent to which information communication technology affect procurement strategy implementation in regulatory parastatals in Nairobi County, Kenya. The findings of the study are summarized below:

## **5.2.1** Managerial Competence and Procurement Strategy Implementation

The result shown that, the majority of respondents agreed on the vital influence of managerial competence on implementation of strategies. Furthermore, the study established that, there is a statistically significant strong positive relationship between managerial competence and strategy implementation. Also, the study revealed that,

the variations in implementation of procurement strategy is influenced by managerial competence. Therefore, the result confirms that managerial competence is very fundamental for effective procurement strategy implementation in the regulatory parastatals.

The majority of respondents defined organizational issues in a negative manner. Moreover, these Respondents interpreted issues as deterrents to fulfilling missions and threats to organizational assets (i.e., brand, image, clients, etc.). This is contradictory to the definition of issues provided by Heath and Palenchar (2009), who discuss issues management as the maximizing of opportunities and the lessening of threats in an organization's environment. Thus, when practitioners aim to manage issues, they may actually only be scanning their organizational environment for negative. This negative view of an issue may cause practitioners and their organizations to miss out on the proper management of opportunities.

## **5.2.2** Resource Allocation and Procurement Strategy Implementation

The findings revealed that, the majority agreed on the influence of resource allocation towards strategy implementation. Further, the findings established that, there is a statistically significant strong positive relationship between resource allocation and procurement strategy implementation. Furthermore, the study found that variations in procurement strategy implementation are influenced by organizational resources. Therefore, the study confirms that resource allocation is very important for effective implementation of strategies in regulatory parastatals.

There were objective resource allocation policies for students and staff with special needs and this established influence. The results are out of tandem with practice as Resources allocation is among the factors that affect and ultimately comprise a company's strategy stream continuously from the intended and emergent sources (Mintzberg & Waters (1985).

Regardless of the source of the strategy, however, it must flow through a common filter – the resource allocation process. This is because a company's actual strategy is manifest only through the stream of new products, processes, services and acquisitions to which resources are allocated (Bower and Joseph, 1986). The resource allocation process acts like a filter that determines which intended and/or emergent initiatives get funding and pass through, and which initiatives are denied resources (Mintzberg & Waters, 1985).

## 5.2.3 Organization Structure and Implementation of Procurement Strategy

The study showed that organization structure influence procurement strategy implementation. Structural stability provided the capacity that an organization required to consistently manage its daily work routines. These results are in tandem with Hitt, Ireland and Hoskisson (2013) who state that, structural stability provides the capacity the firm requires to consistently and predictably manage its daily work routines. The study showed that, structural flexibility provided the opportunity to allocate resources to activities that shaped the competitive advantages of the firm. These results are also in tandem with Hitt, Ireland and Hoskisson (2013) who state that, organization structure provides the opportunity to explore competitive

possibilities and then allocate resources to activities that will shape the competitive advantages the firm will need to be successful in the future.

These results are in tandem with Abok (2010) who state that, many companies today are adopting the network organizational structure where the organization contracts out most functions except administration. The study showed that, functional structure allowed for strong task focus through an emphasis on specialization and efficiency. According to Abok (2010), functional organizational structure involves structuring an organization around basic business functions such as production and operations, marketing, and finance. It is mainly used by small – to medium-sized businesses and other companies and is relatively straight forward. The study showed that, strategic business units should be centralized at the corporate office.

Organization structure supports effective controls. Accountability for performance is important in decentralized organizations; they further state that, it is important to ensure that every unit has appropriate control over its performance and that, it is important to focus on units with shared responsibilities. The study showed that, early achievement of a strategy-structure fit can be a competitive advantage. According to Chitale, Mohanty and Dubey (2013), organization structure also enables organizations to gain competitive advantage. They state that, the way the organization designs its structure is an important determinant, as well as, how much value the organization creates depends on organization design, because it is the means of implementing an organization's strategy.

# 5.2.4 Information Communication Technology and Procurement Strategy Implementation

As discussed in the results section information communication technology influence procurement strategy implementation the hypothesis was therefore rejected, the majority of the respondents seemed to connect with ICT and the strategic issues management steps: prioritizing, analyzing and evaluating. In fact, as previously discussed, most of the respondents seemed to skim over these steps as a subconscious action rather than a deliberate step. In other words, many respondent examples of managing organizational issues did not include the acts of prioritizing, analyzing, and evaluating. When directly asked about these three steps of the strategic issue's management process, the majority of respondents seemed to agree that these steps may be taking place in a simplified manner, but they had not thought enough about them to identify them as part of their process.

## **5.3 Conclusions**

This section presents a summary of study conclusions based on the study's' independent variables.

## **5.3.1** Managerial Competence and Procurement Strategy Implementation

It can therefore be concluded that an increase in the probability of implementing the development concept according to the assumptions is affected by actions taken by managerial competence to reduce the employee's resistance to changes. In this regard, the role of managers may include different levels of employee involvement from an extensive information policy, through participation in strategic projects or budget building, to decision-making powers associated with the manner of influence on

strategy implementation. It also appears that an important role is played by operational activities aimed at ensuring a clear delegation of power by appointing a person or a special team responsible for overseeing and coordinating because it affects strategy implementation process.

Such a team may include both mid-level managers and informal leaders whose support for the strategy often determines the outcomes of its implementation. These actions also include the transfer of the responsibility for executive actions to leaders at different levels of the organizational structure, including midlevel managers. The decision-making process delegated by the management on the one hand require an adequate strategic readiness of the entire organization, but at the same time they increase the sense of shared responsibility. As proved by the research results, the managers' competencies analyzed here have no impact on the effectiveness of the strategy implementation. But this does not mean that a lack of knowledge or experience and the ability to separate operational tasks from strategic issues do not affect the strategy implementation process. Certainly, these factors should not be ignored in the analyses.

However, it seems that these are not key elements that determine the success of the process. They perform a rather secondary meaning in relation to other implementation barriers or actions supporting the strategy implementation. The role of managers affect strategy implementation process is complex and involves many aspects both of operational and strategic nature. Therefore, it is essential to ensure the consistency of the actions taken. As shown by the results of this study, this is not determined by the knowledge or experience, but rather by the awareness of how the functions performed may contribute to the achievement of a long-term success.

## **5.3.2** Resource Allocation and Procurement Strategy Implementation

Resource allocation planning and decision-making is designed to advance fundamental objectives of Procurement Strategy Implementation: to realign resources with institutional priorities; to reallocate resources to those programs and activities that most closely match the priorities and that promote excellence; and to promote efficiency at all levels. "Advancing the excellence of what we undertake" and "placing the focus on the quality of our programs" are the key criteria in reaching all resource allocation decisions. Additional criteria include: centrality to mission, quality of leadership, the efficiency and effectiveness with which resources are and will be used, and the expected impact of each program, initiative, and activity.

## 5.3.3 Organization Structure and Implementation of Procurement Strategy

The study concludes that structural stability provides the capacity that an organization requires to consistently manage its daily work routines and that structural flexibility provides the opportunity to allocate resources to activities that shape the competitive advantages of the firm. It can be concluded that most organizations have recently adopted a network structure that involves outsourcing functional activities leaving them with core activities. It can also be concluded that functional structure allows for strong task focus through an emphasis on specialization and efficiency and that strategic business units need to be centralized at the corporate office since the early achievement of a strategy-structure fit can be a competitive advantage.

# 5.3.4 Information Communication Technology and Procurement Strategy Implementation

The study presented in this work shows that the integration process begins when the strategies are transformed into projects. Thus, in the sequence, by analyzing each project it is possible to evaluate those related to ICT, which are thus inputs to the applications portfolio and/or ICT infrastructure. Hence, an integration process is characterized where each and every ICT investment to be made is being supported by some business strategy arising from the ESP. It is in this context that the BSC is presented as an extremely important methodological approach because it assists in the measurement and evaluation of the entire process, contributing to the evaluation of the results.

The study concluded that ICT Investment costs influence the performance of regulatory parastatals in Kenya. ICT investment offered potential for significant organizational improvement and competitive advantage. ICT investment cost was relatively high but improves organization performance in the long run while ICT investment did not always translate into monetary rewards in regulatory parastatals. The difficulties associated with evaluating ICT costs and benefits are super challenging in the regulatory parastatals.

Thus, with respect to ICT projects, it can be verified which of the various perspectives add value to the business strategy. The area of Information & Communication Technology of any organization is responsible for supporting the business processes with information and technologies, so that it can be competitive and develop its

purposes successfully. However, for this to occur on a high note it is crucial that the ICT and the business areas move in the same direction.

#### **5.4 Recommendations**

From the study it has been noted that organizational structure is paramount in influencing strategy implementation. Key factors of organizational structure lies on organizational design and the process of selecting the right combination of organizational structure, the study therefore recommends that regulatory parastatals need to monitor and oversee its organizational design process to achieve superior performance and overall profitability.

Secondly, it is necessary to innovate the communication systems and encourage information users to be flexible enough to adopt the changes in order to facilitate the execution of procurement strategy implementation. Resource allocation and distribution should be equitable and enhanced to target various sections of the organization to enable successful strategy implementation. The study also recommends that organizations' leaders should implement more rewarding human resource management activities to provide motivation to their workforce to take active roles in ensuring that strategic targets, goals and objectives are attained optimally.

Thirdly, ICT investment offered potential for significant organizational improvement and competitive advantage. Regulatory parastatals should thus include considerable amount of capital in their budget for ICT investment. Despite the fact that ICT investment does not always translate into monetary rewards in Regulatory parastatals should invest more in ICT so as to improve the organizations performance in the long run.

## **5.5 Suggestion for Further Studies**

This study has focused on factors influencing the procurement strategy implementation in organizations with a focus on regulatory parastatals. It has explored the impact of resource allocation, organizational structure, managerial competence and information communication technology. It thus suggests that further studies be carried out on external factors like the organizational environment and type of industry to give a better aspect of these factors. This is because organization operations are influenced by both internal and external environment.

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## **APPENDICES**

## APPENDIX I: QUESTIONNAIRE

The information provided will be only for academic purpose. Read carefully and give appropriate answers by ticking or filling the blank spaces. The information will be treated confident

## **PART I: GENERAL INFORMATION**

1.	Indicate your gender (Tic	k one)		
	Male [ ]	Female	e []	
2.	By use of a tick ( $$ ), pleas	se indica	ate the age category th	at applies for you.
	Below 30 years	[ ]	30 – 34 years [ ]	
	35 – 39 years	[ ]	40 – 44 years [ ]	
	45 years and above	[ ]		
3.	Working experience			
	5 years and below	[ ]	6- 10 years	[ ]
	11-15 years	[ ]	16- 20 years	[ ]
	21 years and over	[ ]		
4.	Highest level of education	n		
	Diploma	[ ]	Undergraduate	[ ]
	Masters	[]	PHD	[]

## **SECTION A: MANAGERIAL COMPETENCE**

5. To what extent do you agree with the following statements on managerial competence?

On Procurement Strategy Implementation? Key: 5 strongly agree, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Managerial competence	1	2	3	4	5
Management is capable of providing direction and control during strategy implementation					
Lower level employees are involved in decision making and strategy implementation					
The mid-level management has a good working relationship with low level employees enhancing strategy implementation					
The top management has a good working relationship with middle level management enhancing strategy implementation					
The organizations management is competent					

## **SECTION B: RESOURCE ALLOCATION**

6. To what extent do you agree with the following resource allocation on Procurement Strategy Implementation? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Resource allocation	1	2	3	4	5
The organization has enough resources to facilitate strategy					
implementation					ı
The organization has the desired financial strength to implement					
strategy					
The management motivates its employees to enhance performance and					
enhance strategy implementation					
The management manages the organizations resources effectively					
The allocated resources are used optimally to achieve effective strategy implementation					
The human resource personnel at the organization is qualified to					
enhance strategy implementation					
strategy implementation  The human resource personnel at the organization is qualified to					

## SECTION C: ORGANIZATIONAL STRUCTURE

7. To what extent do you agree with the following statements on organizational structure on Procurement Strategy Implementation? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Organizational structure	1	2	3	4	5
The organization structure is bureaucratic					
The current organization structure enhances institutional					
effectiveness					
The nature of our organization structure inhibits the free flow of					
information critical to strategy implementation					
The current organization structure allows employee participation in					
decision making					
To enhance strategic implementation success, my organization					
selects the right people for key positions					
Managers always determine the degree of authority needed to					
manage each organization unit bearing in mind both the benefit and					
cost of decentralized decision making					

## SECTION D: INFORMATION COMMUNICATION TECHNOLOGY

8. To what extent do you agree with the following statements on communication on Procurement Strategy Implementation? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

Information Communication Technology	1	2	3	4	5
Communication enables employees to know the new requirements,					
tasks and activities to be performed by the affected employees					
Uncertainty when management communicates disrupts work and					
makes employees feel as if they aren't a part of the decision					
Communication keeps employees updated regularly about the plans					
and progress toward the change implementation.					
Failing to communicate with all employees invites rumors and fear					
into the workplace					
ICT enable to know what's going on, whether it is positive or negative news					

## SECTION E: PROCUREMENT STRATEGY IMPLEMENTATION

9. To what extent do you agree with the following statements on Procurement Strategy Implementation? Key: 5 strongly agrees, 4 agree, 3 undecided, 2 disagree, 1 strongly disagree (please put an X as appropriate).

<b>Procurement Strategy Implementation</b>	1	2	3	4	5
Quality of product is always satisfactory in our organization					
Lead time always influence procurement process in our organization					
Right source enable us to have quality product					
Finances are available for suppliers payment in our organization					
The annual procurement plan is generally implemented in our organization					

Thank you for your participation

## APPENDIX II: A LIST OF REGULATORY PARASTATALS IN NAIROBI

### **COUNTY**

- 1. Kenya Veterinary Board
- 2. Kenya Leather Development Council
- 3. Unclaimed Financial Assets Authority
- 4. Capital Markets Authority
- 5. Catering and Tourism Development Levy Trustee
- 6. Coffee Board of Kenya
- 7. Commission for University Education
- 8. Communication authority
- 9. Council for Legal Education
- 10. Energy Regulatory Commission
- 11. Export Promotion Council
- 12. Horticultural Crops Development Authority
- 13. Kenya Dairy Board
- 14. Kenya Industrial Property Institute
- 15. Kenya Plant Health Inspectorate Services
- 16. Kenya Sisal Board
- 17. Kenya Sugar Board
- 18. Maritime Authority
- 19. National Environment Management Authority
- 20. National Irrigation Board
- 21. Public Benefits Organizations Regulatory Authority
- 22. Tea Board of Kenya
- 23. Water Services Regulatory Board
- 24. Transport Licensing Board
- 25. Export Processing Zones Authority
- 26. Kenya Bureau of Standards

Source: Kenya Gazette (2019)

## APPENDIX III: INTRODUCTION LETTER

David Tubman Ochola
BUS-3-1710-2/2017
Kenya Methodist University
P O BOX
Nairobi
12 <sup>th</sup> April 2019.
Chief Executive Officer
P O BOX
Nairobi – Kenya
Dear Sir/Madam,
RE: PERMISSION TO CONDUCT ACADEMIC RESEARCH IN YOUR ORGANIZATION.
I am Masters of Business Administration student (Strategic Management Option) at the Kenya Methodist University. It is a requirement for student taking this degree to do academic research in his or her area of specialization as part of fulfillment the requirements for the award of this degree.
Therefore am requesting to carry out a study on "An analysis of factors influencing Implementation of procurement strategy among regulatory parastatals in Nairobi county Kenya. The information provided will be used for academic purpose only to accomplish academic goal. I therefore request you to allow me to distribute questionnaires in\Procurement Department/ Supply chain.
Yours Faithfully
Tubman Ochola.

## APPENDIX IV: RESEARCH AUTHORIZATION



## NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471, 2241349,3310571,2219420 Fax:+254-20-318245,318249 Email: dg@nacosti.go.ke Website: www.nacosti.go.ke When replying please quote NACOSTI, Upper Kabete Off Waiyaki Way P.O. Box 30623-00100 NAIROBI-KENYA

Ref. No. NACOSTI/P/19/29232/30584

Date: 14th August, 2019

Tubman David Ochola Kenya Methodist University P.O. Box 267-60200 **MERU.** 

## RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "Factors influencing implementation of procurement strategy in regulatory parastatals in Nairobi County, Kenya," I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 14th August, 2020.

You are advised to report to the County Commissioner and the County Director of Education, Nairobi 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.

Ralows

GODFREY P. KALERWA MSc., MBA, MKIM FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner Nairobi County.

The County Director of Education Nairobi County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

## APPENDIX V: PERMIT

THIS IS TO CERTIFY THAT:

MR. TUBMAN DAVID OCHOLA

of KENYA METHODIST UNIVERSITY,

52428-200 NAIROBI, has been permitted
to conduct research in Nairobi County

on the topic: FACTORS INFLUENCING
IMPLEMENTATION OF PROCUREMENT
STRATEGY IN REGULATORY
PARASTATALS IN NAIROBI COUNTY,
KENYA

for the period ending: 14th August,2020

Applicant's Signature

Permit No: NACOSTI/P/19/29232/30584
Date Of Issue: 14th August,2019



Director General National Commission for Science, Technology & Innovation

## 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

- 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.
- 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.
- 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 - 00100, Nairobi, Kenya TEL: 020 400 7000, 0713 788787, 0735 404245
Email: dg@nacosti.go.ke, registry@nacosti.go.ke
Website: www.nacosti.go.ke





National Commission for Science, Technology and Innovation

RESEARCH LICENSE

Serial No.A 26330

CONDITIONS: see back page

## APPENDIX VI: LETTER FROM KEMU TO NACOSTI



# KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya Tel: 254-064-30301/31229/30367/31171

Fax: 254-64-30162 Email: info@kemu.ac.ke

Our ref: NAC/MBA/1/2019/6

24th April, 2019

Commission Secretary, National Commission for Science, Technology and Innovations, P.O. Box 30623-00100, NAIROBI,

Dear Sir/ Madam,

## RE:OCHOLA DAVID THEMAN (BUS-3-1710-2/2017)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, undertaking Masters in Business Administration. He is conducting a research titled FACTORS INFLUENCING IMPLEMENTATION OF PROCUREMENT STRATEGY IN REGULATORY PARASTATALS IN NAIROBI COUNTY, KENYA.

We confirm that his thesis proposal has been defended and approved by the university.

In this regard, we are requesting your office to issue a permit to enable him collect data for his Masters dissertation.

Any assistance accorded to him will be appreciated.

Yours faithfully,

DR. Evangeline Gichunge, PhD.
ASS DIRECTOR POSTGRADUATE STUDIES

End.