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**EFFECT OF INSTITUTIONAL FACTORS ON PUBLIC PROCUREMENT
PERFORMANCE IN COMMERCIAL AND MANUFACTURING STATE
CORPORATIONS IN KENYA**



**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION OF STRATHMORE UNIVERSITY**

FEBRUARY 2023

DECLARATION

I, the undersigned, declare that this dissertation is my original work and has not been submitted for examination in any other institution.

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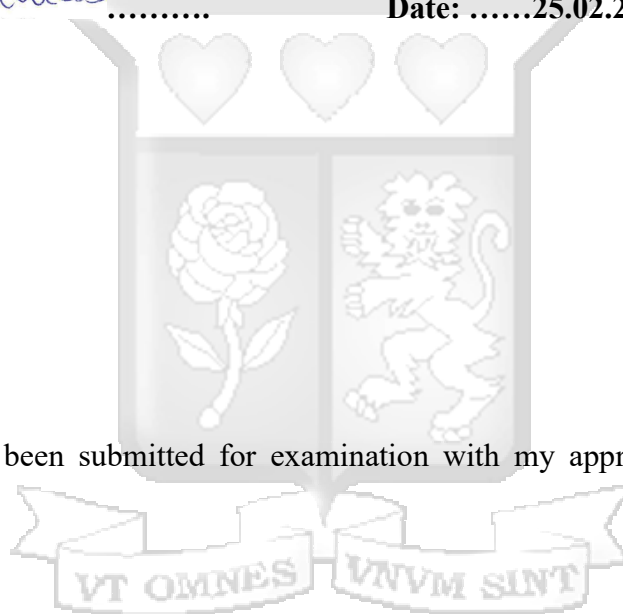
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Approval

This dissertation has been submitted for examination with my approval as the university supervisor.



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ABSTRACT

Empirical studies have shown that there is considerable evidence that public procurement performance in the country is deficient, as evidenced by poor allocation of resources, inefficiency in the process, gross negligence, non-adherence to procedures, untimely deliveries, unqualified personnel and incompetence of public administrators in Kenyan corporations. This study sought to examine how institutional factors influence procurement performance in parastatals. The study examined the impact of structure, management style, systems and staff on public procurement performance. The study was anchored on the Higgins model and institutional theory. The study was based on a positivist research philosophy with a descriptive research design. The population for the study was the 33 commercial and manufacturing state corporations in Kenya. The unit of observation was 165 respondents drawn from the strategy managers, finance managers, IT managers, human resource managers and procurement managers of each of the institutions. The study used a census survey of all respondents. The study used a structured research questionnaire. The research data was collected using physical questionnaires and Google forms. The research data collected was analysed using quantitative approaches such as descriptive and inferential analysis. The analysed research data was presented using graphs and tables. The findings revealed that there was a response rate of 95% (n= 114) between April and June 2022. Most of the respondents were procurement managers (26%) and finance managers (23%) in the companies.

The results indicate that there was a statistically significant weak and positive association between structure, leadership style, staff and procurement performance within the state corporations. The correlation also showed a statistically significant moderate and positive association between system and procurement performance within state corporations. The results of the regression showed an $R^2 = .531$ which indicates that at least 53.1% of the changes in the dependent variable (procurement performance) are determined by staff, leadership style, system, structure. The study also concluded that structure, system and staff of state owned commercial and manufacturing enterprises have a significant and positive effect on public procurement performance. The study further revealed that leadership style has a positive but insignificant effect on public procurement performance. Therefore, the results of the study indicate that institutional factors are key determinants of public procurement performance. Accordingly, a major focus should be placed on internal issues based on the factors examined in this study. However, more explanation is needed to further identify the specific issues in each organisation and possible structural patterns of problems.

Key words: institutional theory, public procurement performance, Kenyan state corporations, Higgins model.

TABLE OF CONTENTS

DECLARATION.....	ii
ABSTRACT.....	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
DEFINITION OF TERMS.....	x
ABBREVIATIONS AND ACRONYMS.....	xi
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Background to The Study	1
1.1.1 Institutional Factors	3
1.1.2 Public Procurement Performance	6
1.1.3 Commercial and Manufacturing State Corporations in Kenya.....	8
1.2 Statement of The Problem	9
1.3 General Objective	11
1.3.1 Specific Objectives	11
1.4 Research Questions	11
1.5 Scope of the Study	12
1.6 Significance of the Study	12
1.7 Limitations of the study	13
CHAPTER TWO	14
LITERATURE REVIEW	14
2.1 Introduction.....	14
2.2 Theoretical Review	14
2.2.1 Higgins Model	14

2.2.2 Institutional Theory.....	16
2.3 Empirical Review.....	17
2.3.1 Effect of Structure on Public Procurement Performance.....	17
2.3.2 Effect of Leadership Style on Public Procurement Performance	19
2.3.3 Effect of Systems on Public Procurement Performance	21
2.3.4 Effect of Staff on Public Procurement Performance.....	22
2.4 Summary of Research Gaps.....	24
2.5 Conceptual Framework.....	26
2.6 Chapter Summary	28
CHAPTER THREE	29
RESEARCH METHODOLOGY	29
3.1 Introduction.....	29
3.2 Research Philosophy.....	29
3.3 Research Design.....	29
3.4 Target Population.....	30
3.5 Sampling Design and Sample Size	30
3.6 Data Collection Instruments	31
3.7 Data Collection Procedures.....	32
3.7.1 Pilot Testing.....	32
3.8 Tests of Regression Assumptions	32
3.9 Data Analysis and Presentation	33
3.10 Ethical Considerations	33
CHAPTER FOUR.....	35
PRESENTATION OF RESEARCH FINDINGS.....	35
4.1 Introduction.....	35
4.2 Response Rate.....	35

4.3 Demographic Profile of Respondents	35
4.4 Descriptive Analysis	37
4.4.1 Procurement Performance of State Corporation.....	37
4.4.2 Structure in Commercial and Manufacturing State Corporations.....	38
4.4.3 Leadership Style in Commercial and Manufacturing Corporations	39
4.4.4 System in Commercial and Manufacturing Corporations	40
4.4.5 Staff in Commercial and Manufacturing Corporations	41
4.5 Correlation Analysis	42
4.6 Test for Linear Regression Assumptions.....	43
4.6.1 Collinearity Analysis	43
4.6.2 Normality Analysis	44
4.6.3 Linearity Analysis.....	44
4.7 Regression Analysis.....	45
CHAPTER FIVE	48
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	48
5.1 Introduction.....	48
5.2 Discussion of Results.....	48
5.2.1 Structure and Procurement Performance	48
5.2.2 Effect of Leadership Style on Public Procurement Performance	49
5.2.3 Systems and Procurement Performance.....	50
5.2.4 Staff and Procurement Performance	51
5.3 Conclusions.....	53
5.4 Recommendations.....	54
5.5 Suggestions for Further Research	55
REFERENCES.....	56
APPENDICES	65

Appendix I: Strathmore University Introduction Letter65

Appendix II: Ethical Research Approval66

Appendix III: NACOSTI Research License67

Appendix IV: Research Questionnaire68

Appendix III: List of State Commercial and Manufacturing Firms74



LIST OF TABLES

Table 2.1 Literature Gaps	24
Table 2.2 Operationalization and Measurement of Variables	27
Table 3.1 Target Population.....	30
Table 3.2 Sample Size Distribution	31
Table 4.1 Summary of Demographic Profile.....	36
Table 4.2 Descriptive of Procurement Performance.....	37
Table 4.3 Descriptive of Structure	38
Table 4.4 Descriptive of Leadership Style.....	39
Table 4.5 Descriptive of Systems	40
Table 4.6 Descriptive of Staff.....	41
Table 4.7 Results of Correlation Analysis	42
Table 4.8 Collinearity Statistics.....	43
Table 4.9 Normality Statistics.....	44
Table 4.10 Linearity Statistics	44
Table 4.11 Regression Summary	45
Table 4.12 ANOVA Summary	45
Table 4.13 Regression Coefficients Summary.....	46

LIST OF FIGURES

Figure 2.1 Conceptual Framework	27
Figure 4.1 Response Rate	35



DEFINITION OF TERMS

Government	Refers to an established system by which a country or community is governed which comprises a body of people who develop and implement policies on behalf of the citizenry.
Public Procurement	This refers to the acquisition of goods, works, services, and other requirements through contractual means by public entities using public funds
Public Procurement Performance	This measures the effectiveness, outcome, and quality of the procurement process within public entities.
Staff	This describes employees in detail giving their background, skills, and abilities, including their characters.
Structure	This details the various authority and coordination aspects that ensure adequate supervision and scope within which a manager can effectively manage and control firm processes.
Style	This is represented as the leadership domain as portrayed by organization leadership in all their endeavours in ensuring harmony within processes
Systems	This includes the formal systems put in place within the organization to support the conduct of day-to-day operations

ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
GDP	Gross Domestic Product
ICT	Information Communication and Technology
IFMIS	Integrated Financial Management and Information System
NASPO	National Association of State Procurement Officials
OECD	Organization for Economic Co-operation and Development
PPDA	Public Procurement and Disposal Act
PPRA	Public Procurement Oversight Regulatory Authority
SME	Small and Medium Enterprises



CHAPTER ONE

INTRODUCTION

1.1 Background to The Study

Procurement refers to all activities involved in identifying, acquiring, and receiving goods, works, and services required by an organization (Kahukya, 2019). As a government function, public procurement entails and is aimed at ensuring the proper acquisition of goods and services necessary to facilitate development projects and social services efficiently and successfully (Patrucco, Luzzini, & Ronchi, 2016). It is, therefore, true to say that inefficient procurement decreases and denies the strategic importance of sound procurement from being realized by citizens, and consequently, lowers peoples' confidence and trust in their elected officials to deliver the required goods and services (Raj, Agrahari, & Srivastava, 2020). Consequently, literature evidence shows a link between unethical procurement behaviour and grand corruption and partisan favouritism (Dávid-Barrett & Fazekas, 2020), redundancy, and government ineffectiveness in both private and public organizations (Anane, Adoma, & Awuah, 2019; Sharma, Sengupta, & Panja, 2019).

There is a high degree of international consensus that public procurement plays a big part in addressing global development challenges, and sustainable procurement was promoted as early as 1992 during the International Conference on Environment and the 1999 Agenda 21 UN Guidelines for Consumer Protection which called on governments to “promote the development and dissemination of sustainable goods and services through public procurement”. The Marrakech Process (2003) was introduced to support governments on the implementation of sustainable consumption and production, through regional consultations and training. The World Bank (2020) also stresses that public procurement is a fundamental and crucial component of democratic governance, poverty reduction, and sustainable development, adding that governments have made significant efforts at increasing the efficiency of public procurement and allocated large shares of taxpayer money towards this end.

The World Bank (2020) reports that developing countries dedicate approximately 15-22% of their GDP to public procurement annually. In 2018, for instance, the World Bank reported that public procurement amounted to 12% of the global gross domestic product, with governments spending \$90 trillion purchasing goods and services from the private sector (Erica & Simeon, 2020). The 9.5 trillion USD spent annually in public contracts represented approximately 29% of developing countries' general government expenditures (OECD, 2020). In the Organisation

for Economic Co-operation and Development (OECD) member countries, governments are allocating at least \$10 trillion to public procurement efforts (Hasanbeigi, Becqué, & Springer, 2019). The products procured by governments lead to the construction of large infrastructure such as roads, buildings, and railways that citizens and businesses rely on, underscoring the importance of quality public procurement to the achievement of national development and growth goals (Caldera, Desha, & Dawes, 2019).

Despite spending a substantial amount of public financial resources and instituting public reforms, however, inefficient, and ineffective public procurement has been an issue of great concern in many countries in the world (Best, et al., 2017). According to He, Milne and Atallah (2023), most UK public procurement contracts are awarded late and that simpler procurement procedures and organisational factors at both contract and institutional level play a crucial role. In China, local government officials training and awareness of procurement implementation policies have had significant influence on public procurement outcomes. Grandia and Meehan (2017), assert that in contrast to the private sector, public sector procurement remains an understudied topic in relation to the public sector management. Roman (2017) adds that literature on procurement often suffers from an overly optimistic bias, assuring readers that procurement implementation has immediate results, despite sustainable implementation being complicated and dependent on a great number of success factors.

A public procurement system aims to deliver efficiency and value for money in the use of public funds and the government is mandated to ensure public entities carry out public procurement in line with elements of transparency and cost-effectiveness (Lusuli, 2019). The Kenyan government made it compulsory for procurement of all public goods, works and services to be done through online platforms. County governments were therefore issued with directives to conduct all procurement and finance operations online (National Treasury, 2016). In-line with these objectives, the government introduced and rolled out the Integrated Financial Management Information System (IFMIS) to all 47 counties. The system was intended to enhance governance by offering real time financial information, thus improving accountability and transparency. However, despite the potential benefits of e-procurement in public procurement performance, Lusuli (2019) asserts that its implementation in Kenya is still very low.

A systematic review of literature on the main constraints of procurement efficiency present insights from a range of sectors, including public universities (Asante & Boakye, 2019), SMEs (Alabi, 2020), security firms (Musau, 2016), and broader public procurement institutions

(Schnequa & Alexandru, 2012; Amemba, Nyaboke, Osoro, & Mburu, 2013; Barare & Wambua, 2018). These studies identify a myriad of factors such as insufficient public procurement policy frameworks (Ontweka, 2016; Mrope, 2017), lack of management commitment (Roman, 2016), poor organizational culture, awareness and behavioural change constraints (Okoth, 2019), lack of technical capacity to implement sustainable procurement processes (Schnequa & Alexandru, 2012) as well as poor governance structure (Jeptoo & Karanja, 2017).

Erica and Simeon (2020) affirm that Kenya spends 26% of her GDP on procurement processes and with this much investment, failure to adopt a sustainable public procurement process may have significant impacts on the country's ability to meet Goal 12 ("Ensure sustainable consumption and production patterns") of the 2030 Sustainable Development Goals (SDGs). In creating a framework of the barriers and conditions for public procurement, Hansen (2020) categorized factors across several dimensions, namely at the individual practitioner level, at the structural level, the organizational level, and the wider market level. The objective of this paper is to understand the actual challenges to implementing sustainable public procurement practices in the context of middle- and low-income countries, specifically, Kenya.

This study was founded on the Institutional theory which states that organizations reflect their operating environment and resources and competencies available to enable it to adapt to pressures emanating from its environment (Ebrahimi & Koh, 2021). This theory offers an explanation to how institutions develop behaviours through a series of choices that impact its ability to meet performance expectations. The institutional theory affirms that the social, political and economic systems within which an organization operates influences formal procedures and the legitimacy of the institution to its stakeholders (Berthod, 2016). The institutional factors that this study focused on was extracted from Higgins Model. These factors are discussed below.

1.1.1 Institutional Factors

According to Raj, Agrahari and Srivastava (2020), there is limited understanding of how various pressures foster sustainable public procurement, adding that the understanding is even more limited in the context of developed versus developing economies. According to Barsemoi, Mwangagi and Asienyo (2014) every organization has unique internal and external factors that play a critical role in the realization of strategic goals. Toroitich (2017) refers to these as institutional factors and asserts that there is a significant association between

institutional factors and strategic goal performance. Scholars provide different definitions for institutional factors including Yukins and Schnitzer (2015) who define institutional factors in reference to social institutions imposed to organizations by external actors, while Mohamed (2018) defines them as formal rules (constitutions, laws and property rights) and informal constraints (sanctions, taboos, customs, traditions, and norms or codes of conduct) that determine organizational interactions. This study will use McKinsey's 7-S model interpretations of institutions and defines them as norms, rules, habits, corporate hierarchies, networks, associations, and committees that define organizational interactions.

Organization literature proposes that organizational performance is the result of a fit between two or more factors such as strategy, structure, technology, culture, and the environment (Kerlin, 2012). Bhatti (2011) affirms that Higgin's model comprises hard and soft factors. The hard factors; structure, strategy and purposes, and systems and processes were condensed into structure and systems while the soft factors, shared values, leadership style, staff and resources were condensed into staff and leadership style which encompasses resources allocation and shared values. The 8S model is central to the execution of firm strategies and recognizes that implementing strategy rotates around the alignment of these elements with the organizational goals (Kheyley & Ragui, 2018). According to Higgins (2005), for new strategies to succeed, organizational factors such as structure, system and processes, leadership style, staff, resources and shared values should be aligned with the new strategies. Recommendations are for managements of public institutions to identify the relevant institutional factors that need to be reinforced to positively influence strategy performance.

Higgins (2005) includes the following components; the organisation's strategy and purpose which defines an organization's mission and intent, the organisational structure which is responsible for strategy implementation activities. The structure defines the job role, authority assignment, the managers' span of control and mechanisms of internal control (Higgins, 2005). The structure components determine the delegation of authority to organizational units and managers and influence the type of leadership in organizations in terms of centralization or decentralization of command. The systems and processes component influence the interactions and cooperation of specialized functional units, such as departments, according to their role in the organization, thereby influencing stability and cohesion between different units within the organization. Within an organization, sub-systems such as capital budgeting systems, reward systems and processes, information systems, manufacturing processes, quality-control systems

and performance measurement systems are useful in monitoring strategy implementation. All have significant impacts the realization of strategic goals (Abera, 2019).

The leadership style component measures the consistency and power relations between managers and employees. Major issues addressed in this component involve the managers' presentation, communication, and control over people. According to Higgins (2005), management factors influence the quality of decision making. Literature identifies authoritarian leadership, democratic, consensus and consultive management styles (Kheyley & Ragui, 2018; Njeru, 2015). Asante and Boakye (2019) assert that leadership and management style have a significant impact on strategic goal implementation. Staff, on the other hand refers to the entire workforce population that helps an organization attain its strategic objectives. This component describes employees in detail, giving their background, skills, and abilities, including their characters (Higgins, 2005). Managements aim to maintain a creative, effective, and motivated pool of qualified individuals who are willing to meet organizational goals. Within this context, appropriate staffing, remuneration, skills, and capacity development all influence successful strategy implementation.

Arguably, the structure, systems, staff and leadership style of a firm may facilitate or hinder effective decision making in term of how resources are allocated during strategy implementation. According to Higgins (2005), these factors are intertwined and their alignment with organizational goals is vital for successful strategy execution. Proper execution enables senior management to better enact, monitor, and assess the cross functional execution of strategies. The alignment of departmental strategies and resource allocations all ensure togetherness in terms of structures, processes, systems, and leadership decisions, thus reinforcing the idea of systemically approaching strategy implementation.

These factors have been under investigation in previous research. Dezdard and Haghghi (2014) state that the main institutional factors are strategy, structure; systems; staff skills; style, and shared values. Toroitich (2017) identifies organizational structure, leadership style and human resource capacity, while Zhukov, Basenko, Romanov, Babayan and Fomichenko (2015) is adamant that employee competence and capacity are key institutional factors. Zhang, Wei and Zhou (2018), on the other hand, identify quality control capability and top management support as key institutional factors. Radomska (2015) asserts that the misalignment of these factors results in poor organisational performance. This study seeks to assess how these factors influence public procurement performance.

1.1.2 Public Procurement Performance

According to Thumbi and Mutiso (2018) globalization has increased the complexity of the supply process and managements of public institutions are facing increased demand for transparency and accountability. The procurement process refers to the activities through which public institutions acquire different types of works, any supplies and services for an organization by purchasing, renting, leasing, hiring, licensing, franchising, or any other contractual means (Ogwel, Iravo, & Lagat, 2016). Patrucco, Luzzini and Ronchi (2016) define public procurement performance as the purchasing of all necessities in terms of goods and services from the right place and in the right time, quality, purpose, price, and quantities for use by the procuring entity or otherwise. Mady, Mady, and Mady (2014) state that procurement performance within entities could be measured using efficiency levels, cost minimization, target attainment, supplier quality, elimination of defects, and material quality. Key indicators of procurement performance have been established to involve technology, flexibility, quality, timely delivery, and optimal costs (Kafimbou, 2019).

Procurement management is increasingly becoming central for public or private organizations' performance (Amemba, Nyaboke, Osoro, & Mburu, 2013). Vellapi (2010) alluded that most countries use public sector procurement as a strategic tool to ensure that the entire government delivers quality and sustainable services to its citizens. Public procurement coordinates all relevant stakeholders, such as internal organizational customers, external service providers, and partner organizations, to deliver a combination of input and output, which will help meet the government agenda (Onyango, 2014). Indeed, with the competitive environment organizations operate within, the adoption of effective procuring and supply in the public sector has gained more attention among policy makers and scholars as an area of interest (Onyango, 2014). Mutua (2014) perceives public procurement performance as a crucial element in efficient and effective public service delivery.

Schiele (2020) noted that procurement performance is realized by achieving the organizational set objectives and that value for money in procurement is realized from the government's perspective in terms of getting competitive pricing, reduction in wastage and improved quality of delivered goods and services. Coviello, Guglielmo, and Spagnolo (2018) note that the concept of procurement performance is ambiguous due to the different levels within the organization that focus on achieving varying goals. However, in general, the procurement process's performance can be limited to the achievement of competitiveness, value for money, timeliness, quality of goods and services, efficiency, and effectiveness. Kumar and Ganguly

(2020) revealed that procurement performance could be assessed using non-financial measures such as coordination, technical efficiency, transparency, coordination, effectiveness, and information disclosure.

In Kenya, Public Procurement Oversight Authority (PPOA) states that the public procurement system has been undergoing a transformation consistent with the global trend since the mid-1990s (RoK, 2010), with procurement reforms focusing on transparency, accountability and value for public money. The first step was to put in place a unified and legal regulatory framework to guide the reforms, followed by the creation of Public Procurement Directorate (PPD) to oversee the public procurement process in Kenya and the Public Procurement Complaints, Review and Appeals Board (PPCRAB) to handle tendering disputes. Muhia, et al., (2017) assert that in 2006, focus was placed on upgrading technologies and employee capacity through training and hiring of specialized graduates to help fill the professional gap in the public procurement. However, PPOA reports that despite the reforms, procurement operations still experience problems in virtually all public entities associated with loopholes in the procurement law and systemic infrastructural weaknesses (Barsemoi, Mwangagi, & Asienyo, 2014).

Procurement managers and players, especially in the public service, often face varied challenges, complex statutes, laws, regulations, and policies which complicate the procurement process (Matindi & Ngugi, 2013). The public procurement environment is characterized by rapid changes accelerated by frequent program reviews; needs to adopt to emerging technologies, calls for increased efficiency, accountability and the high expectation that there is a focus on continuous improvements (Muhia, et al., 2017). Kamotho (2015) affirms that Kenya's procurement process is complex and characterized by increasing complexity, duplication of roles, loss of revenues and resources, inefficiency, and low compliance levels concerning procurement regulations. Despite reforms, Muhia, et al., (2017) states that the streamlined legislation and the IFMIS roll out have not had significant impacts on the performance of public procurement in Kenya.

Within the current study, the concept of procurement performance was measured using indicators advanced by Kumar and Ganguly (2020); Coviello, Guglielmo, and Spagnolo (2018) that rely on non-financial measures. The indicators were selected to ensure uniformity in assessing procurement performance within the various commercial and manufacturing state corporations that operate in different sectors of the economy.

1.1.3 Commercial and Manufacturing State Corporations in Kenya

A State Corporation is a legal corporate business established under Section 3 of the State Corporations Act, Cap 446, or by an act of Parliament, or under the Companies Act, Cap 486 where the Government controls majority or all of the shares. They can be commercial or non-commercial in nature, regulatory, services, universities, training institutions and research institutions (Datche, 2015). In Kenya, state corporations are classified into 8 functional categories based on mandate and core functions including financial, commercial/manufacturing, regulatory, public universities, training and research, service, regional development authorities, and tertiary education and training (Barare & Wambua, 2018). Since independence, the government has identified state firms as the primary vehicle for overseeing, delivering, and implementing large-scale projects and services. Commercial State Corporations in Kenya are formed to serve the public interest and the possibility of earning surplus income (Datche, 2015). However, gross mismanagement and lack of oversight led to Kenyan state firms becoming a significant drain on the exchequer, becoming a principal cause of long-term fiscal problems.

In the recent past, Kenyan state corporations have been facing dismal performance trends, derailing their ability to meet their core goals, and increasing the demand for streamlining of their organizational practices (Ndemo & Achuora, 2020). The Covid-19 pandemic has exacerbated the challenges experienced in state corporations, with profits reducing from Ksh 18,213m in FY2019/20 to losses of Ksh 9,484m in FY2019/20 (Ministry of Public Service and Gender, 2020). This resulted in the aggregate operational performance of Kenyan commercial SCs being negative for the first time in recent years. The Ministry of Public Service and Gender (2020) report asserts that ten state firms generated 98% of the total commercial state firms' profits, with the best performing category in the country being public universities with an average composite score of 3.0312, while the bottom performing category was commercial/manufacturing with an average composite score of 3.5166. Further, the report affirms that seven out of the ten worst performing SCs are categorized within the commercial/manufacturing functional category. This dismal performance within the commercial/manufacturing sector motivates the current exploration.

The demand for reforms in the public institution has seen government embark on reforming State Corporations and other government entities meant to bring out efficiency and effectiveness and decent provision of services to the public (Linyiru, 2015). State corporations may establish a business venture to offer services and products that may be required for growth,

and they may be involved in government projects with massive capital disbursement (Ong'onge & Awino, 2015). State corporations in Kenya are faced with challenges of ineffectiveness which has hindered their performance (Mogikoyo, 2016). Much of this ineffectiveness can be attributed to the bureaucratic system in the public sector, frequent political interferences, multiplicity of management, inadequate supervision, malpractices, and overstaffing (Datche, 2015).

Mukunga and Karanja (2017) indicated that state corporations in Kenya had become a continuous channel of fraud and public funds loss through dubious procurement practices. From an allocation of 234 billion Kenya Shilling per year in the procurement process, state corporations in Kenya have been losing more than a 121 billion KES through inflation of procurement costs, inefficiencies in the procurement process, corruption in the inadequate tender process and the implementation of procurement. According to the Public Procurement Regulatory Authority (PPRA) report of 2016, at least 60% of all funds budgeted for the public procurement process are lost due to dubious claims, increased mark-ups, and outright embezzlement (Kitheka, 2019). This study sought to determine how institutional factors impact procurement performance of state corporations in Kenya with a specific focus on the procurement function among firms under the commercial and manufacturing classification (SCAC, 2021; SCACb, 2021). The organizations within this category have been identified as the least effective and least profitable SCs in the last few years, hence, they formed the population of this research.

1.2 Statement of The Problem

Public procurement has gained recognition recently due to governments worldwide' vast resources and the expected significance to the public (Amemba, Nyaboke, Osoro, & Mburu, 2013). This, coupled with the expected benefits to economic growth and provision of public services, creates sound reasons for examining the procurement process' performance and ensuring the process is seamless and devoid of any bottlenecks (Wanyonyi & Muturi, 2015). Despite the critical role of public procurement, there has been minimal focus on quantifying the process's performance and examining possible returns from government agencies' procurement processes (Wahu, Namusonge, Mungai, & Chilion, 2017). There is a mountain of evidence as indicated by Mesa (2018); Odero and Ayub (2017) who were in consensus that the procurement performance within the country is deficient, as shown by the poor distribution of resources, inefficiency in the process, gross negligence, non-adherence to procedures, untimely

deliveries, unqualified personnel and incompetence from public administrators in Kenyan corporations (Ogwel, Iravo, & Lagat, 2016). Despite this consensus of the poor procurement performance within Kenya, the studies' focus has not been specifically directed towards checking the role institutional factors play. Hence there is a need to close this knowledge gap and expand the available conceptual knowledge on the association of the variables.

There have been several empirical studies conducted focusing on procurement performance. Raj, et al., (2020) conducted a comparative study of developed and developing countries and revealed that across 102 countries' institutional pressures and citizen attitude was key to fostering sustainable public procurement. In a study in Pakistan, Best et al. (2017) noted that review of procurement performance has focussed on legalistic and procedural issues, with limited examination of efficiency and value for money, directly affecting procurement outcomes. Kafimbou (2019) established the effectiveness of rules and procedures, combating corruption, and sanctions will improve public procurement performance in South Africa. Kahukya (2019), in a review of state authority in Uganda, concluded that improving procurement planning and control will significantly improve procurement performance. Simachew (2019) revealed that procurement planning, effective leadership, and adequate resources were critical to procurement performance within Ethiopian firms. Similar observations were made by Mesa (2018) who affirmed that appropriate budgeting, staff competency, procurement planning information communication flow, and management contracts positively and significantly affected procurement performance in the Kenyan Judiciary. Njeru (2015) revealed that lack of compliance to procurement policies, supplier management strategies, professional training of staff, and utilization of ICT-based systems affected the procurement practice in public tertiary institutions.

The reviewed studies have pointed to considerable empirical evidence on factors that influence procurement performance within public institutions. However, gaps emerge. Raj, et al., (2020) for instance, presents a contextual as well as a methodological constraints with regards to the Kenyan context having focused on secondary data from 102 countries. The study by Best et al. (2017) was specific to Pakistan which also exhibits structural as well as cultural differences in relation to Kenya. Kafimbou's (2019) analysis did not consider staff competency when investigating the factors contributing to the conflict between pursuit of integrity and performance in public procurement. Kahukya (2019) based their findings off a single organization, its results cannot be generalized to all state firms given they all have different structures, staff and leadership components. This gap also emerged in the study by Mesa (2018)

which was based on the Kenya judiciary. Despite consensus among scholars that Kenyan state corporations are experiencing procurement-related problems, the empirical research into the relationship between institutional factors and strategic goal realization is still lacking. Furthermore, most studies have focused on single state agencies, authorities, or devolved governments' procurement performance. This has resulted in a gap expounding on what impacts the procurement performance specifically among state commercial and manufacturing corporations which according to Getange (2020) are most affected by institutional challenges. This study thus explored the various institutional factors that affect the procurement performance of commercial and manufacturing state corporations' in Kenya.

1.3 General Objective

This study's primary purpose was to investigate the effect of institutional factors on public procurement performance in commercial and manufacturing state corporations in Kenya.

1.3.1 Specific Objectives

The study specifically focused on:

- i. To determine the effect of organizational structure on public procurement performance in commercial and manufacturing state corporations in Kenya.
- ii. To establish the effect of leadership style on public procurement performance in commercial and manufacturing state corporations in Kenya.
- iii. To determine the effect of organizational systems and processes on public procurement performance in commercial and manufacturing state corporations in Kenya.
- iv. To examine the influence of staff resources on public procurement performance in commercial and manufacturing state corporations in Kenya.

1.4 Research Questions

The research sought to answer the following research questions:

- i. What is the effect of organizational structure on public procurement performance in commercial and manufacturing state corporations in Kenya?
- ii. To what extent does the leadership style affect the public procurement performance in commercial and manufacturing state corporations in Kenya?
- iii. What is the effect of organizational systems and processes on public procurement performance in commercial and manufacturing state corporations in Kenya?

- iv. How do the staff resources influence public procurement performance in commercial and manufacturing state corporations in Kenya?

1.5 Scope of the Study

The study's conceptual scope examined the public procurement performance in state corporations in Kenya. The research examined how various institutional factors - structure, style, systems, and staff - influence procurement performance. The theoretical scope was grounded on the Higgins 8S Model and the Institutional Theory. The study's methodological scope was quantitative, with participants drawn from the 33 commercial and manufacturing state corporations in Kenya. The data collection was conducted between April 2022 and September 2022.

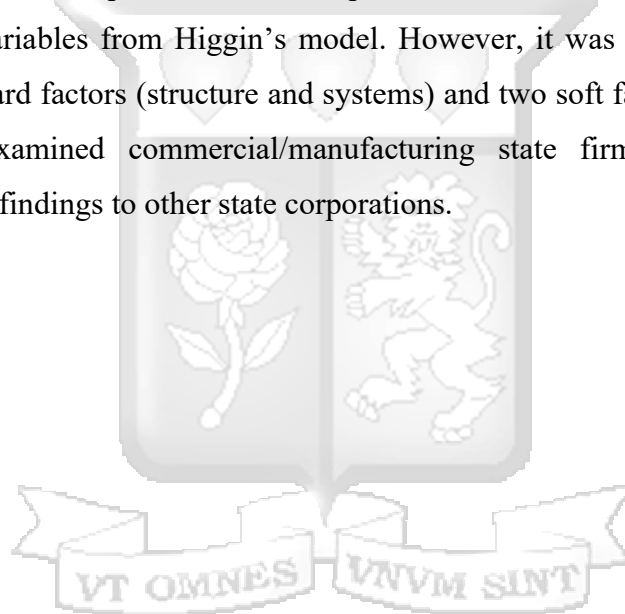
1.6 Significance of the Study

The research is expected to yield information that was important to various commercial and manufacturing state corporations. The study's findings are expected to support policymakers in coming up with new guidelines to help achieve better performance in the procurement process by monitoring commercial and manufacturing state firms. The study will also provide information that will help policymakers understand how the procurement process within commercial and manufacturing state corporations is undertaken; thus, state authorities can develop new policies to guide the procurement systems in Kenya through their regulatory power.

This study's findings will assist the public entities in Kenya to identify shortcomings in the procurement function and address the same by ensuring full implementation and compliance with the existing procurement law, regulations, procedures, and instructions. These research findings will help manage the commercial and manufacturing entities involved in managing various aspects of the procurement processes and offer a deeper understanding of the various performance measurement indicators they can adopt. The findings will also be helpful to academia. They will add to existing literature that could be used for future studies or further reference by other academicians and researchers to understand better and explore these relationships in different sectors of the economy, e.g. the private sector.

1.7 Limitations of the study

This study was limited to sourcing data from strategy managers, finance managers, human resource managers, IT and procurement managers from each of the SCs. The study also expected limitations in collecting data from the commercial state corporations, with some of the managers being inaccessible due to Covid-19 recommendations and work from home policies. Trying to ensure a high response rate, the questionnaire was kept concise and short with Likert Scale response options, instead of open questions requiring considerably more time to submit the questionnaire. However, this approach created limitations in terms of the information available for the analysis and hence also for explanatory value of its results. With its focus to collecting primary data from managers, the studies were not able to adequately assess additional procurement performance from published sources of data. Further, the study analysed only four variables from Higgin's model. However, it was ensured that the study considers two main hard factors (structure and systems) and two soft factors (staff and style). The study solely examined commercial/manufacturing state firms, which may limit generalizations of the findings to other state corporations.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter focussed on the review of literature relating to the research concepts. The chapter specifically reviewed theoretical literature, empirical studies, research gaps, the conceptual framework, and the study variables' operationalization.

2.2 Theoretical Review

The theoretical framework provides a foundation that supports a theory of a research study. Whitley (2001) expounds that the variables are abstract concepts rather than concrete objects' attributes. Sekaran and Bougie (2016) states that a theory attempts to explain relationships between the variables in a model. They provide a generalized explanation of occurrence, while theories are testable in a practical situation. This study was grounded on the Higgins Model and the Institutional Theory.

2.2.1 Higgins Model

Higgins Eight S's Model was developed in 2005 as a revised and expanded version of McKinsey's (1980) 7 Ss model. The Eight S model is intended to assist organizations in effective and efficient management and alignment of the cross-functional organizational factors, including structure, system and processes, leadership, employee and other resources with the desired strategy so that its implementation can succeed (Higgins, 2005). These organizational factors are vital for a successful strategy execution, and to achieve strategic goals, they should be aligned. A slight change in one area would lead to change in the other elements for a firm to function effectively (Bhatti, 2011).

According to Higgins' (2005), all the seven contextual S's (strategy and purpose, structure, systems and process, style, staff, resources, and shared values) revolve around aligning key organizational factors with the chosen strategy. Bhatti (2011) noted that the hard factors are easier to be defined and management can directly influence them; they include the strategy, structure, and systems. Papulova (2009) posited that the soft elements, including the style, shared values, staff, resources, and strategic performance, are hard to define and therefore change within the institution. Kimani (2017) affirmed that a model is a systemic approach to organizations' growth and that there is no starting point or implied hierarchy. It displays the

diversity and interdependence of essential elements within an organization that are key to organizational change.

Higgins (2005) affirmed that structure is comprised of jobs, the authority to carry on with those jobs, jobs grouping in a logical fashion, the manager's span of control, and the mechanism of coordination. The researcher asserted that the execution of a business strategy heavily relies on the organizational structure as it helps in decision-making when it comes to jobs to be done. On the other hand, style refers to how a firm's management conducts itself when it comes to relating with employees. It details how leaders treat other junior employees within the work environment hence bringing out the competencies and capabilities of the leaders while at the same time influencing employees' morale and productivity.

Higgins (2005) states that systems and processes assist an organization in executing its activities. This comprises the organization's formal and informal procedures to manage information systems, budgets and resource allocation systems, quality control systems, and remuneration systems. The researcher further referred to the staff as the practices focused on staff training, career development, engagement, appraisals, and promotion. The Higgins model has been widely utilized as the foundation of the strategy formulation process; however, organizations have also relied on the model to guide execution. The elements of the Higgins model were found to be critical to the effectiveness and success of organizations.

This research balanced a mix of hard and soft elements of the Higgins model and their contribution to the organization. The study hence focused on how the interaction of the structure, style, systems, and staff influences procurement performance. As stated by Bhatti (2011) hard factors are easier to examine and test within the organization. Furthermore, they are directly under the influence of the management hence the research analysed two main hard factors (structure and systems) and two soft factors (staff and style) within commercial and manufacturing state firms.

Ji, Zhou and Zhang (2023) used the theory in examining the impact of digital transformation on corporate sustainability while (Abd El Salam, 2020) investigated the effectiveness of audit committees in sustaining corporate growth. Furthermore, Serbia's Rastić, Stevanović and Antić (2021) investigated the impact of intangible assets on sustainable enterprise growth using the Higgins model of sustainable growth. Higgins model aims at attaining greater effectiveness and efficiency by management and other studies have also applied the theory in examining the factors that contribute to sustainable growth (Omondi, 2018; Badawy, 2020). The theory was

vital to this study as it guided the conceptualization of the study's independent variables of staff resources, organizational structures, leadership style as well as systems and processes. The concepts derived from the model was employed in this research to determine their effect on procurement performance.

2.2.2 Institutional Theory

The institutional theory can be traced back to the works of Philip Selznick (1948). In the workings, they argued that organizations are adaptable to threats in their external environment (Selznick, 1948). They further propagated that the organization's informal and formal structures are in a constant state of pressure. Therefore, to maintain legitimacy and survive, the organizations do everything possible to neutralize the threat and adapt to their environment (Scott, 2005). Their paper was further expanded by Meyer and Rowan (1977). They noted that an organization's formal structure emerges from its adherence to institutional norms and beliefs from the larger environment in which it exists.

The institutional theory strives to understand how institutions operate. It centers on the effects and factors of a business surrounding - also the business environment - and how they work together (Lewis, Cardy, & Huang, 2019). DiMaggio and Powell (1983) further strengthened the argument by focusing on other pressures that demand conformity in the institution to be isomorphic. The institutional theory suggests that the institution's environment greatly influences the organization's progress rather than the external environment, more specifically the market. Scott (2005) expounded on the institutional theory's principles and noted that institutions provide authoritative guidelines, structures, and processes of an organization that inform socially acceptable behaviors. Meyer and Rowan (1977) suggest that social and environmental factors play an important role in creating an environment that influences the adoption of certain technology, practices, or management structures among organizations in seeking their legitimacy.

Schmist (2008) states that the actions of the management team and their agents are dictated by the institutional environment within which the firm operates. Further, organizations conform to the internal environment's institutional norms, enhance their survival capabilities, open access to resources, and increase their stability (Gimžauskienė & Klovienė, 2011). Shubham and Murty (2018) used the theory in examining how organizations adopt sustainable manufacturing practices while Kanter (2019) used the theory in assessing how bureaucratic and hierarchical structures affect firm performance. Caldera, Desha and Dawes (2019) used the

theory in examining the enablers and barriers for successful implementation of sustainable business practice in SMEs. The institutional theory was applied in this study to reinforce the Higgins model as it underpins how institutional factors can be critical in advancing the organization's performance. This study will thus use this theory in examining how institutional factors affect procurement performance. The theory can inform the interaction between institutional factors and procurement performance within state corporations in Kenya.

2.3 Empirical Review

This section, in detail, reviewed the various empirical studies that have been conducted in connection with the selected variables – however mostly in very different contexts and/or considering additional institutional and external aspects. The section was arranged according to the study objectives, with various gaps in the studies being identified.

2.3.1 Effect of Structure on Public Procurement Performance

In a study in Bangladesh, Ahmed, As-Saber, Fry, and Smith (2018) examined bureaucracy and E-government in e-procurement initiatives. The study focus was on public institutions with case study research employed. Research data was collected from government ministries using both quantitative and qualitative instruments. The study revealed that core aspects such as institutionalization, capacity building, e-readiness, and infrastructural challenges affected e-procurement adoption. The paper further found out that rigidity in government structures and poor coordination affected the successful adoption of e-procurement in the public sector. The study does not consider procurement performance measures within the public sector which was considered in this research.

Ahmed (2015) used purposive sampling in examining determinants and constraints to effective procurement management in government projects in Bangladesh. The study adopted quantitative and qualitative analysis techniques which revealed that organization's culture, staff competency, coordination, strategic planning, and organization capacity positively affected procurement performance. Findings indicated that formalization within the management teams could extend the efficiency of the procurement process. The research does not consider institutional factors as a predictor of procurement effectiveness which this study analyzed. Further, the research is not focussed on the procurement performance within state commercial enterprises which is the scope of this research.

In another research, Manu, Mahamadu, Booth, Olomolaiye, Ibrahim, and Lamond (2019) investigated infrastructure procurement capacity gaps in Nigeria's public sector institutions. The research employed a survey research design with 288 procurement personnel considered. Quantitative analysis techniques were applied in the study. Findings indicated that organization procurement capacity acuteness, poor governance structure, poor initiatives, and resource capacity were the key deficiencies to better procurement in public institutions. The study found out that limited public infrastructure was also a key factor impacting the institutions' procurement capacity. The survey is not focused on the procurement performance in state corporations which is the scope of this research.

Similarly, Chacha (2020) examined the factors influencing the performance of public procurement in public institutions in Tanzania. The study adopted a case study review of the government procurement services agency (GPSA). A case study research design was adopted with structured questionnaires used in data collection. The study showed that procurement planning, financial resources, staff competency, and organization structure were key determinants of public procurement performance. The findings revealed that bureaucracy, managerial decision-making, and employees' involvement were significant predictors of efficiency and effectiveness in the procurement process. The study was conducted in a Tanzanian public sector agency while current research reviews Kenyan state corporations' procurement performance.

Elsewhere, Chimwani, Iravo, and Tirimba (2014) conducted a case study on the State Law Office in Kenya and examined the factors influencing procurement performance. The research adopted descriptive research with a sample of 60 respondents considered in the study. The study utilized descriptive, factor, and regression analysis in determining the association in the variables. The findings established that the state law office recorded poor procurement performance assessed by efficiency, effectiveness, and dependability. The analysis revealed that bureaucracy levels, poor compliance, enforcement, collaboration, and integration were not significant predictors of procurement performance. The result revealed that records management, procurement staff, procedures and information communication technology (ICT) were vital to procurement performance. The research utilized a case study survey of a single state agency while this study analyses procurement performance in all commercial and manufacturing state corporations.

The above studies have pointed to a connection between various organizational structures and how they inform procurement performance. Moreover, the studies have focussed on single

institutions or public sector organizations in other countries. This study sought to expand on the gaps identified in each study and seek to establish the effect of structure on state corporations' procurement performance in Kenya.

2.3.2 Effect of Leadership Style on Public Procurement Performance

Khattak and Mustafa (2019) addressed the management competencies, complexities, and performance in Pakistan's engineering infrastructure projects. The study sampled project managers with 32 respondents interviewed using semi-structured questionnaires. The focus of the paper was on 85 public sector projects. The least-square regression results showed that leadership competencies, management skills, communication, and effectiveness were critical to public sector projects' performance. The study found out that exhibiting top-quality skills can contribute to efficiency and effectiveness in the projects. The research focus is on specific projects' performance, while this review examines procurement performance in state corporations in general.

Similar findings were reported by Etse, McMurray, and Muenjohn (2021) research reviewed the effect of regulation on sustainable procurement. The study considered organizational leadership and culture as mediators in the analysis. The research data was collected from 322 organizations in Ghana with a mix of descriptive and structural modelling techniques used in the analysis. Findings noted that sustainable procurement was determined by the level of regulatory practices in Ghana. However, these researchers asserted that while support from leaders mediates the relationship, organization culture had no mediating effect. Thus, leadership support has explanatory power on sustainable procurement practices. The research did not cover procurement performance which is the central theme in the current study.

Elsewhere, poor leadership has contributed to poor procurement performance in Ghana according to Asante and Boakye (2019) who examined top leadership's influence on procurement management in technical universities. The research utilized structured questionnaires and applied correlation and regression analysis were applied as the main techniques of analysis. The study showed that top leadership regularly interferes with procurement management, leading to consistent loss of funds and lack of professionalism among procurement managers. Findings indicated that commitment, communication, and top leaders influence negatively on procurement management responsiveness. The examination is focused on tertiary institutions in Ghana, while this research reviews procurement performance in Kenyan state corporations.

Similarly, Barare and Wambua (2018) studied the relationship between ethical leadership and state corporations' performance in Kenya. The study utilized a descriptive survey focussing on Kenya Revenue Authority with research data obtained from semi-structured questionnaires. The research adopted multiple linear regression, and findings showed that ethical leadership had a positive effect on the authority's performance. The results indicated that a leader's integrity, ethical training, ethical recruitment, and culture were significant predictors of state corporations' performance. The study is focused on the performance of the authority, while current research examined the procurement performance in state corporations.

Cheptora, Osoro, and Musau (2018) sought after managerial style impacts on procurement performance in Kenya's manufacturing firms. A descriptive research design was applied with respondents selected from the Nzoia sugar company. The study adopted structured questionnaires in the data collection. Results revealed that management style and employees' involvement were vital to the procurement performance within the manufacturing firms. Findings showed the firm used autocratic leadership, which led to communication failures and fostering collective participation within the organization, hindering procurement performance. The study established that the technical competence of the management personnel was critical to continued procurement performance. The study focuses only on the management team's style and does not consider other institutional factors that was reviewed in this research.

Nyareru and Gichunge (2017) studied the effects of leadership style strategy on Kajiado County Government's performance, Kenya. The research utilized a stratified sampling procedure in selecting 100 senior management staff from the county. Primary and secondary research data were adopted in the survey. Findings showed that leadership styles were a significant predictor of performance within the county. The study revealed that empowering the staff, adequate resource allocation, effective feedback, communication, and practical problem solving were key to fostering performance. The research focuses on a devolved unit's performance and does not consider procurement performance in state corporations.

The reviewed studies have shown contradicting results on the contribution of management/leadership styles to institutional performance. The studies, however, did not explicitly focus on procurement performance within state corporations in Kenya. This research extended on the identified gaps and sought to establish the effect of style on state corporations' procurement performance in Kenya.

2.3.3 Effect of Systems on Public Procurement Performance

Masudin, Kamara, Zulfikarijah, and Dewi (2018) analysed the impact of inventory management and procurement practices on an organization's performance. The study focussed on firms in Singapore and utilized secondary and primary research data. Results pointed out that automation of procurement processes through adopting e-products and world-class systems contributed positively to firm performance. The study further showed that inventory management systems had a positive influence on organizational performance. The study focussed on inventory management while the current study examined procurement performance as a function of the institutional factors within state corporations.

Kipchumba and Keitany (2021) also sought after the influence of inventory control systems on procurement performance in the county government of Uasin Gishu, Kenya. The study adopted a descriptive survey with procurement staff from the county considered in the examination. The study showed that the adoption of enterprise resource planning systems and inventory forecast analytics were positive and significant predictors of procurement performance. The research revealed that inventory control systems were key to fostering the procurement operations' efficiency and timely completion. The study pointed out that inventory systems also improved decision-making, which is imperative to better procurement performance. The study was limited to a single county government, while current research focuses on procurement performance across state corporations in Kenya.

Tutu, Kissi, Osei-Tutu, and Desmond (2019) evaluated the critical factors for implementing e-procurement in Ghana. The focus of the study was on the public procurement authority of Ghana. The study adopted a survey research design with 60 procurement professionals considered in the sample. The study findings indicated that availability of internet connection, stability of power connection, availability of technical infrastructure, and technological capacity of procurement officers were critical to the implementation of e-procurement. However, the study does not extend and investigate the effect of systems on procurement performance, which this study analysed.

Mwangi (2019) researched the relationship between integrated financial management information systems (IFMIS) and procurement performance in the County Government of Nyeri. The study was descriptive and considered 74 respondents drawn from government officers and suppliers in the county. The study revealed a lack of confidence in the procurement systems due to poor sensitization among suppliers and a lack of stewards and accountability.

The study found a significant association between adaptability of the IFMIS, user technical and professional skills, and procurement performance in the county. The research revealed there was minimal acceptance of information technology systems which limited the procurement process's execution. The study, however, does not consider how other institutional elements impact procurement performance.

The study by Cheptora, Osoro, and Musau (2018) focused on information and communication technology integration and their impact on procurement performance in Kenya's manufacturing firms. The study employed a descriptive survey approach and employed descriptive and inferential techniques in the analysis. Findings showed that the lack of adequate ICT infrastructure, technical systems, enterprise resource planning systems, and integrated networks significantly influenced its procurement performance functions. The study noted that the adoption of technological systems was nascent in the organization; hence there is a need for increased digitalization efforts. The research pointed to a key link to procurement performance and only focused on ICT systems, while the current study examined institutional factors.

The studies reviewed identified a significant link between technological systems, infrastructural capacity, and technical competence to better procurement performance. However, the empirical studies were not localized to the state corporations in Kenya; hence, there is a need to improve the available evidence. This study sought to establish the effect of systems on procurement performance in Kenyan state corporations.

2.3.4 Effect of Staff on Public Procurement Performance

Alabi (2020) studied the factors negatively affecting efficient procurement processes in small and medium enterprises in Australia. The study considered 25 enterprises and relied on secondary and primary sources of data. Descriptive and inferential statistics were applied as the main means of analysis. The findings showed that staff competence and resource allocation were significant factors predicting the procurement process's efficiency. Results indicated that employee training, analytical and negotiation skills, motivation practices, and the right staff deployment were critical to the procurement process. The study focuses on SMEs' procurement process and does not analyse the procurement performance considered in current research.

In another research, Chogozie and Emmanuel's (2018) researched on human capital development in organizational performance in manufacturing industries in South-East Nigeria. The study employed a survey design with questionnaires adopted in data collection. The data

was analysed using correlation and regression techniques. The study showed that staff knowledge, improved staff skills, and continuous professional development were vital to manufacturing firms' performance. The results indicated that the provision of new technologies and employees' training should be encouraged to drive enterprise performance. The study did not consider other institutional aspects such as style and systems or review procurement performance indicators.

Abera (2019) sought to determine the factors influencing procurement performance in the Addis Ababa Police Commission. The research employed a descriptive and explanatory research approach with primary instruments used in the study. The results indicated the commission was affected by the poor quality of goods and services, lack of timeliness, and poor procurement planning. The study indicated that inadequacy of skills among procurement staff, poor staff qualification, tendering processes, market conditions, and procurement procedures significantly affected the procurement performance. The research also noted that building reliable supplier relationships can improve the procurement process. The examination, however, is not centered on procurement performance within Kenyan state corporations.

Similarly, Nyaporo and Atambo (2017) sought after the factors influencing the implementation of government electronic procurement systems in the county government of Nyamira, Kenya. A descriptive design was employed in the research, with 44 procurement staff considered in the sample. The research utilized structured questionnaires in data collection. The findings noted that employee aspects within the county determined e-procurement readiness. The results indicated that user training, improved user competencies, and skills contributed to embracing e-procurement in the county. The study also found out that adequate infrastructure contributed positively to the adoption of e-procurement. The survey was constrained to the implementation of e-procurement and does not analyse procurement performance in state corporations.

Odero and Ayub (2017) studied the effect of procurement practices on public sugar manufacturing firms' procurement performance in Western Kenya. The study applied a descriptive survey design targeting procurement managers from the manufacturing firms. The regression results showed that procurement planning and staff competency positively and significantly influenced procurement performance. Findings revealed that adequate skills among procurement managers, improved staff training, knowledge of rules and regulations, and staff induction were important to achieving better procurement performance (timely delivery, minimal complaints, reduction in wastage) in the sugar manufacturing firms.

These findings concur with another study by Wanyonyi and Muturi (2015). It noted that staff competencies such as employees' training, better teamwork, acquaintance with procurement laws, and employing competency and qualified staff are vital to procurement performance. The research is limited only to public manufacturing entities. However, this study reviewed the procurement performance of all state corporations.

Most of the studies reviewed focused on staff competence and human resource practices and did not expound on how style, systems, or structure influence Kenya's procurement performance. Further, the studies did not consider staff elements as conceptualized by Higgins (2005) across all the state corporations. This research analyzed on this gap and sought to determine the effect of staff on state corporations' procurement performance in Kenya.

2.4 Summary of Research Gaps

The study was able to identify a number of gaps in reviewed literature that justified the need for the current study to be conducted. Ahmed, As-Saber, Fry, and Smith (2018) and Ahmed (2015) based their studies off Bangladesh, a nation with different institutional drivers and very different government regulations in place. The study by and Manu, Mahamadu, Booth, Olomolaiye, Ibrahim, and Lamond (2019), on the other hand, explored procurement performance within all public institutions in Nigeria, while the current explores state corporations. Chaha (2020) focused on one institution, the government procurement services agency (GPSA). This similar gap was identified in the study by Barare and Wambua (2018) who focused on procurement within the Kenya Revenue Authority. Khattak and Mustafa (2019) focused on management competency, failing to explore the influence of structures and systems. Tutu, Kissi, Osei-Tutu, and Desmond (2019) employed a survey research design while the current study was descriptive in nature. The studies by Nyaporo and Atambo (2017), and Mwangi (2019) investigated procurement performance among county governments, while Odero and Ayub (2017) looked into procurement performance among public manufacturing entities. Nyaporo and Atambo's (2017) study investigated e-procurement performance, this study focused on all procurement practices. A summary of the gaps in the empirical review are presented in Table 2.1 below.

Table 2.1 Literature Gaps

Author	Title	Findings	Research Gap
Ahmed (2015)	Determinants and constraints to effective procurement	Findings indicated that formalization within the management teams could	The research does not consider institutional factors as a predictor of

Author	Title	Findings	Research Gap
	management in government projects	extend the efficiency of the procurement process	procurement effectiveness which this study analysed.
Chacha (2020)	Factors influencing the performance of public procurement in public institutions in Tanzania	The findings revealed that bureaucracy, managerial decision-making, and employees' involvement were significant predictors of efficiency and effectiveness in the procurement process	The study was conducted in a Tanzanian public sector agency while current research reviews Kenyan state corporations' procurement performance.
Cheptora, Osoro, and Musau (2018)	Effect of managerial style on procurement performance in Kenya's manufacturing firms	Findings showed the firm relied on autocratic leadership, which led to communication failures and fostering collective participation, which hinders procurement performance	The study focuses only on the management team's style and does not consider other institutional factors that was reviewed in this research
Kipchumba and Keitany (2021)	Influence of inventory control systems on procurement performance in the county government of Uasin Gishu, Kenya	The study showed that the adoption of enterprise resource planning systems and inventory forecast analytics were positive and significant predictors of procurement performance	The study was limited to a single county government, while current research focuses on procurement performance across state corporations in Kenya.
Nyaporo and Atambo (2017)	Factors influencing the implementation of government electronic procurement systems in the county government of Nyamira, Kenya	The results indicated that user training, improved user competencies, and skills contributed to embracing e-procurement in the county.	The survey was constrained to the implementation of e-procurement and does not analyze procurement performance in state corporations
Odero and Ayub (2017)	Effect of procurement practices on public sugar manufacturing firms' procurement performance in Western Kenya	The regression results showed that procurement planning and staff competency positively and significantly influenced procurement performance	The research is limited only to public manufacturing entities. However, this study reviewed the procurement performance of all state corporations.

Source: Researcher (2022)

2.5 Conceptual Framework

Sekaran and Bougie (2016) have shown that a conceptual framework establishes the frequency of concepts such as a word, themes, or characters in the research literature. The framework presented the researcher's opinion on the identified concepts/constructs' interrelationships on the research problem. The conceptual framework for this study was adopted from the selected elements of the Higgins Model. The conceptualization was adapted from the measurements proposed in the Higgins Model.

Independent Variables

Structure:

- Span of control
- Coordination mechanisms
- Authority
- Job grouping

Leadership Style:

- Management competencies
- Employee relations
- Decision making
- Work environment

Systems:

- Quality control
- Information systems
- Remuneration systems
- Resource allocation systems

Staff:

- Training
- Career development
- Appraisal and promotion
- Succession planning

Dependent Variable

Procurement Performance:

- Value for money
- Efficiency and effectiveness
- Transparency and Information disclosure

Source: Researcher (2022)

Figure 2.1 Conceptual Framework

The conceptual framework above presents the researcher's hypothesized relationship between institutional and procurement performance in state corporations. The Higgins model informed the institutional factors, and the procurement performance was measured using quantitative measures. The study variables were operationalized and measured as indicated in Table 2.2 below.

Table 2.2 Operationalization and Measurement of Variables

Variable	Indicators	Measurement	Supporting Literature
Procurement performance	<ul style="list-style-type: none"> • Value for money • Efficiency and effectiveness • Transparency and Information disclosure 	Likert scale statements	Coviello, Guglielmo, and Spagnolo (2018); Kumar and Ganguly (2020)
Structure	<ul style="list-style-type: none"> • Span of control • Coordination mechanisms • Authority • Job grouping 	Likert scale statements	(Higgins, 2005)
Leadership Style	<ul style="list-style-type: none"> • Management competencies • Employee relations • Decision making • Work environment 	Likert scale statements	(Higgins, 2005)
Systems	<ul style="list-style-type: none"> • Quality control • Information systems • Remuneration systems • Resource allocation systems 	Likert scale statements	(Higgins, 2005)
Staff	<ul style="list-style-type: none"> • Training • Career development • Appraisal and promotion • Succession planning 	Likert scale statements	(Higgins, 2005)

Source: Researcher (2022)

2.6 Chapter Summary

The second chapter of the study presented the theoretical and empirical review of literature in relation to the study objectives. The study was based on the Higgins Model and Institutional Theory in the development of the conceptual model that guided the research. The review of empirical literature established that there was divergent effect of institutional factors such as structure, style, systems and staff on the procurement performance. The empirical studies reviewed pointed to various gaps that informed this study. The gaps mostly concerned the explanatory power of the results of the empirical literature to the Kenyan context and particularly the state corporations. Finally, the chapter presented the operationalization and measurements of the variables that aided in the development of instruments.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter introduced the research methodology, including the research design, target population of study, sampling frame, sample size, sampling procedures, data collection, and data analysis procedures. The study used a quantitative approach. Data analysis was undertaken by means of standardized statistical procedures. The chapter lastly presented the ethical considerations that was applied in this study.

3.2 Research Philosophy

Research philosophy is defined as the general beliefs, concepts and attitudes of an individual or a group (Durrheim, 2006). This study was based on positivism as its philosophical foundation. Positivism is an epistemological position or approach that advocates the application of the methods of the natural sciences to the study of social reality and beyond (Avgousti, 2013). This philosophy is based on theories that are used to generate hypothesis that are tested to give statistical justification of conclusions from the empirically testable hypothesis (Kothari, 2004). Furthermore, this study sought to put into perspective the relationship between institutional factors and procurement performance which was appropriate for this study.

3.3 Research Design

Research design refers to a blueprint on how to conduct research in order to answer the posed research questions (Durrheim, 2006). It is classified as an exploratory, descriptive, and explanatory research design. The research design helps in minimising on errors and maximising on the data collection instruments and techniques used to ensure validity and reliability of the research (Myers, Well, & Lorch, 2010). This study applied a descriptive research design in solving the research problem. A descriptive study is an in-depth attempt to clearly determine and describe various aspects of a phenomenon in this case institutional factors and procurement performance. The descriptive study supported an in-depth examination of a variable in its unchanged environment into a quantifiable and involves the study of selected variable which represent or have experienced the phenomena being considered (Kothari, 2004).

3.4 Target Population

According to Ogula (2005), target population refers to any group of institutions, people or objects that have common characteristics. The population of interest in this study was all the companies that are categorized as commercial and manufacturing state corporations. The study considered 33 firms under the commercial and manufacturing classification (SCAC, 2021; SCACb, 2021). The unit of analysis was the 33 firms with research data being sourced from the strategy managers (staff responsible for strategy and planning), finance manager (responsible for financial health of the organization), human resource manager (in-charge of the personnel in the organization), procurement managers (coordinating all procurement duties) and Information Technology managers (responsible for planning, implementing and running IT systems) from each of the institution. The study focused these senior employees since they are expected to have adequate information that is suitable to solving the study problem.

Table 3.1 Target Population

Category	Number of firms	Population
Strategy Manager	33	33
Procurement Manager	33	33
Information Technology Manager	33	33
Finance Manager	33	33
Human Resource Manager	33	33
Target Population		165

Source: Researcher (2022)

3.5 Sampling Design and Sample Size

Polit and Beck (2003) refers to a sampling frame as the technical name for the list of the elements from which the sample is chosen from while Kothari (2004) define the term sampling frame as a list that contains the names of all the elements in a universe. The sample frame for this study was the 33 state-owned firms operating in the commercial and manufacturing sector in the country. According to Kumar (2014) sampling is a procedure, process or technique of choosing a subgroup from a population to participate in the study.

The study relied on the Yamane formula to determine the sample for the study as shown below;

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

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

Thus; $n = \frac{165}{1+165(.05 \times .05)} = 117$ respondents

The sample size for the study was 117 participants drawn from the participating entities. This was adjusted to 120 to ensure equitable apportionment of the research respondents across the departments as follows;

Table 3.2 Sample Size Distribution

Category	Number of firms	Sample Participants
Strategy Manager	33	24
Procurement Manager	33	24
Information Technology Manager	33	24
Finance Manager	33	24
Human Resource Manager	33	24
Target Population		120

Source: Researcher (2022)

3.6 Data Collection Instruments

The research used primary research data, that was sourced using structured research questionnaires. The questionnaire was developed from the study literature and conceptualization of study variables. The structured questionnaire had a customized five - part Likert scale which was used to collect qualitative data on the independent variables from the respondents. Respondents was asked to indicate agreement with each item. Each item had a five-point scale ranging from 1= *Not extent at all*, 2= *To little extent*, 3 = *To a moderate extent*, 4= *To a great extent* and 5 = *To a very great extent*. According to Kothari (2004) questionnaires have various merits; they are free from the bias of the interviewer; respondents have time to give well thought out answers; there is low cost even when the population is large. Furthermore, the instrument supported for more convenient data collection processes to be applied.

3.7 Data Collection Procedures

The research analysed on data collection through utilization of drop and pick approach in the data collection. Further, where not possible the study used electronic mails and Google forms in the data collection to ensure the study meets public health regulations. The research ensured that all relevant permits and licences are obtained prior to data collection. Where research assistants were needed the researcher conducted briefings to ensure they are aware of the aims of the study and the protocols to adhere to during the study.

3.7.1 Pilot Testing

According to Kumar (2014) a pilot study is a small-scale version, or trial run, done in preparation for a major study. The purpose of a pilot study is not so much to test research hypotheses, but rather to test protocols, data collection instruments, sample recruitment strategies, and other aspects of a study in preparation for a larger study. The study conducted a pretest with 10% of the sample respondents. Piloting involved testing the validity and reliability of the data collection instrument and in this case the questionnaires. The validity tests were conducted with the assistance of the research supervisor to ascertain the content and construct validity of the research instrument.

According to Sekaran and Bougie (2010) the measurement of the reliability of the data instrument helps the researcher to gauge the goodness of the variables of measurement. The reliability of the questionnaires was tested using the Cronbach's Alpha correlation coefficient. For this study all constructs that depict a value of Cronbach's Alpha which is greater than 0.7 for adoption in the study showing internal consistency in the research instrument. Gliem and Gliem, (2003) asserts that Cronbach Alpha reliability coefficient value of 0.7 or higher is considered sufficient thus, all the study constructs was tested against this criterion.

3.8 Tests of Regression Assumptions

Before data is exposed to statistical procedures and test such as multiple regressions, the researcher checked the assumptions of linear regression. The study applied various tests as described in this section. To check for linearity, standardized residual plots against standardized predicted values was plotted. The standardized residual plots were examined for an average residual around zero and no curves or clumps of points (de Souza & Junqueira, 2005). The study further assessed the normality of data of the sample in respect of the variables in the study by checking for skewness and kurtosis of the data. Multi-collinearity occurs in

statistics where two or more predictor variables in a multiple regression are highly correlated. The research implemented the tolerance values and variance inflation factors in the analysis (Kothari, 2004).

3.9 Data Analysis and Presentation

Data analysis is the steps the researcher undertakes to organize the data in order to deduce and make inferences about the data in order to find answers for the study (Durrheim, 2006). The collected study data was edited, sorted and coded into SPSS 25 for subsequent analysis of the quantitative data. The analysis of collected data was carried out by use of descriptive statistics such as means, mode and variance statistics. Inferential statistics was carried out by testing multiple regression analysis models. The research employed correlation analysis to determine the association between the research variables. The study adopted ANOVA analysis to determine the statistical significance of the research model. The regression model to be utilized in this study;

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where: Y = Dependent Variable (procurement performance)

Independent variables were:

X₁ is structure

X₂ is style

X₃ is systems

X₄ is staff

α = the constant

β_{1-4} = the regression coefficient or change included in Y by each X

3.10 Ethical Considerations

Legal and ethical considerations was priory and closely analysed in order to define and distinguish between acceptable and unacceptable behaviour in the research process (Resnik, 2011). This includes the responsibility to avoid harm for or negative effects on research participants (Bryman 2012) which lies within the researcher's responsibility. The study adhered to the following ethical guidelines in the research; the study ensured that ethical clearance is obtained from the Ethical Review Committee of Strathmore University. Secondly,

the research sought a research licence from the National Commission for Science Technology and Innovation. The research data was used for the intended academic purposes and all institutional guidelines was adhered to.

This study ensured the autonomy of respondents, establishing fairness and trust with participating survey respondents, while protecting confidentiality and anonymity through i.e., coding of data. The aims and extent of this research was clearly stated via an introduction letter as seen in Appendix 1. Hence, the study made sure that the participants confidentiality is maintained in the course of the study and their informed consent was sought throughout the research. Lastly the collected study data was protected from any third-parties and ensure that all the data obtained is only used for the stated goals.



CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This study chapter presented the findings drawn from the analysis of the collected study data with a quantitative approach being preferred due to the nature of the research data collected. The chapter focused on the background information of the participants, the descriptive results from the summary of the responses and correlation tests. Lastly, the study conducted regression assumptions test before finally presenting the regression findings.

4.2 Response Rate

The research was conducted among commercial state corporations operating in Kenya with five senior managers being considered in the survey. The study used physical questionnaires and Google forms in the data collection process. The collected study data was edited and coded into SPSS and the findings revealed a response rate of 95% (n= 114) between the period April and June 2022. This response rate was determined to be suitable for the quantitative analysis as guided by Sekaran and Bougie (2010) who indicate that responses above 70% are sufficient for quantitative analysis as presented in figure below;

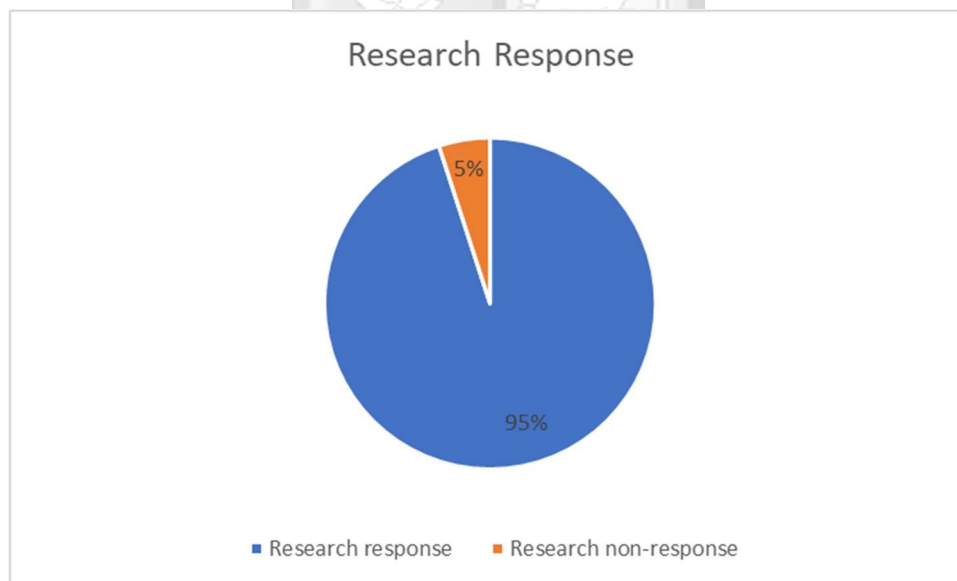


Figure 4.1 Response Rate

4.3 Demographic Profile of Respondents

The study participants were drawn from the 33 firms with research data being sourced from the strategy managers, finance manager, human resource manager, IT managers and procurement managers from each of the 33 commercial state corporations in Kenya. The survey

reviewed the various demographic profiles of the respondents and the summary of the results are shown in Table 4.1.

Table 4.1 Summary of Demographic Profile

		Frequency	Percent
Age	Below 35 years of age	24	21.1
	36-45 years	47	41.2
	46-55 years	40	35.1
	Over 56 years	3	2.6
	Total	114	100.0
Gender	Male	77	67.5
	Female	37	32.5
	Total	114	100.0
Education	Graduate degree	32	28.1
	Postgraduate degree	70	61.4
	Others	12	10.5
	Total	114	100.0
Time in the corporation	Below 5 years	22	19.3
	6-10 years	46	40.4
	11-15 years	44	38.6
	Over 16 years	2	1.8
	Total	114	100.0
Department of work	Strategy Manager	22	19.3
	Procurement Manager	30	26.3
	Human Resource Manager	24	21.1
	Finance Manager	26	22.8
	IT Manager	12	10.5
	Total	114	100.0

The results shown above noted that 41% (n= 47) were between the age of 36-45 years with only 35% (n= 40) were between 46-55 ages. The distribution in the age profile of the staff within the commercial corporations indicated there is increased retention of experienced workforce and tapping of young talent. The findings established that at least 67% (n= 77) of the employees in the corporations were male employees. The research revealed that 40% (n=

46) had worked in the state corporations for 6-10 years, 39% (n= 44) for at least 11-15 years. The results indicated that with the increased work tenure among the participants, they would be at a place to offer reliable information on how various institutional factors have impacted the procurement performance in the entities. Analysis also demonstrated that most of the respondents were procurement managers (26%) and finance managers (23%) in the corporations.

4.4 Descriptive Analysis

The respondents were asked to rate their opinions on the statements on the organizational factors according to their level of knowledge on a scale of 1 to 5. Where, 1= *Not extent at all*, 2= *To little extent*, 3 = *To a moderate extent*, 4= *To a great extent* and 5 = *To a very great extent*. Data was analysed using descriptive statistics of mean and standard deviation. Mean values above 4.2 showed a very great extent, over 3.50 a great extent, 2.50-3.49 a moderate extent and less than 2 little extent and <1.5 no extent at all. At the same time, standard deviation was used to indicate the consensus of the respondents.

4.4.1 Procurement Performance of State Corporation

The participants were asked to give their opinion on the various statements on procurement performance and a summary of the descriptive analysis is provided below;

Table 4.2 Descriptive of Procurement Performance

	N	Mean	Std. Deviation
The organization ensures that value for money is attained in the conduct of the procurement process	114	3.7719	.71686
The organization ensures there is strict adherence to the procurement budgetary provisions throughout the process	114	3.7368	.83138
The organization ensures that efficiency is maintained in sourcing and undertaking of the entire procurement process	114	3.5439	.78864
The organization has put in place structures to ensure there is effective utilization of procurement funds	114	3.6667	.80559
The organization ensures that all relevant information to the procurement process is disclosed to the public	114	3.6140	.78152
The organization supports transparency in the sourcing, tendering, recruitment and overall conduct of the procurement process	114	3.5789	.84030
The organization regularly reviews the internal procurement practices for conformity to the public procurement guidelines	114	3.6491	.74051

The managers noted to a great extent (mean = 3.7719) that the organization ensures that value for money is attained in the conduct of the procurement process. Further, respondents showed that to a great extent the firms ensures there is strict adherence to the procurement budgetary provisions throughout the process (mean = 3.7368). The managers perceived to a great extent the organization has put in place structures to ensure there is effective utilization of procurement funds (mean = 3.667). Results showed the managers opinion on the organization supports transparency in the sourcing, tendering, recruitment and overall conduct of the procurement process was to a great extent with moderate consensus (mean = 3.5789, dev = .8403).

4.4.2 Structure in Commercial and Manufacturing State Corporations

The study presented the management personnel with statements on the structure within the firms and the summary of their opinion is shown below.

Table 4.3 Descriptive of Structure

	N	Mean	Std. Deviation
The organization has put in place decentralized mechanism to foster firm operations	114	3.6754	.82543
The organization has developed clear lines of authority to enhance operational efficiency	114	3.7807	.78435
The organization supports adequate low formalization processes to limit bureaucratic aspects in firm operations	114	3.6754	.85699
The organization supports delegation of duty which enhances the empowerment of employees	114	3.7456	.79613
The organization continuously reviews the policies to foster employee involvement in the decision-making process	114	3.6579	.88076
The organization fosters coordination within the various departments to enhance the efficiency in firm operations	114	3.6228	.78018
The organization has designed clear roles and responsibilities for all employees to improve firm operations	114	3.4561	.79978
The organization ensures that employees are well-aware of the chains of authority to ensure better control of operations	114	3.6842	.80172

The management staff to a great extent acknowledged that the organization has developed clear lines of authority to enhance operational efficiency as noted by mean of 3.7807. The summary showed the management to a great extent viewed the organization supports delegation of duty which enhances the empowerment of employees (mean = 3.7456). Findings revealed that to a great extent the organization ensures that employees are well-aware of the chains of authority to ensure better control of operations as shown by mean of 3.6842. The managers showed that to a moderate extent the organization has designed clear roles and responsibilities for all employees to improve firm operations as indicated by a mean 3.4561 with moderate consensus in the responses (dev = .79978).

4.4.3 Leadership Style in Commercial and Manufacturing Corporations

The management personnel were presented with statements on the leadership styles portrayed in the corporation and the summary of responses are shown below;

Table 4.4 Descriptive of Leadership Style

	N	Mean	Std. Deviation
The organization leaders actively empower subordinate employees to work better	114	3.6140	.81478
The organization leaders routinely involve the subordinate staff in strategic planning and decision making	114	3.6579	.85008
The organization management team is comprised of technically competent leaders who drive operations effectively	114	3.6053	.80506
The organization leaders encourage creativity and innovativeness across the workplace	114	3.5175	.82261
The organization leaders routinely demonstrated flexibility in their decision-making process	114	3.4737	.82237
The organization leaders have put in place mechanisms to drive the development of employee and enhance their own professional growth	114	3.5000	.83348
The organization leaders have ensured that a conducive work environment is maintained to ensure productivity in the workplace	114	3.5175	.80080

The responses noted to a great extent (mean = 3.6579) that the organizational leaders routinely involve the subordinate staff in strategic planning and decision making. Furthermore, to a great extent (mean = 3.6053) the organization management team is comprised of technically

competent leaders who drive operations effectively. The findings showed that to a moderate extent (mean = 3.500) the organization leaders have put in place mechanisms to drive the development of employee and enhance their own professional growth. The management participants revealed that to a moderate extent the organization leaders routinely demonstrated flexibility in their decision-making process (mean = 3.4737).

4.4.4 System in Commercial and Manufacturing Corporations

The respondents were presented with statements on the system in the corporations and the responses obtained are summarized below;

Table 4.5 Descriptive of Systems

	N	Mean	Std. Deviation
The organization routinely reviews the internal processes to ensure there is quality service provision	114	3.6754	.65845
The organization routinely evaluates the utilization of budgeted resources across the various units	114	3.5877	.73847
The organization continuously invests in new technologies to ensure there is better service provision	114	3.4737	.74324
The organization has created a conducive innovative environment to drive adoption of emerging technologies	114	3.4123	.86025
The organization has created a robust remuneration system to support attracting and retaining competent personnel	114	3.3860	.80385
The organization has formulated clear policies to guide the utilization of resources allocated to each department	114	3.4825	.77839
The organization has developed an internal control mechanism to guide the conduct of all corporate operations	114	3.4298	.71605
The organization routinely reviews the code of conduct to ensure conformity to regulatory systems.	114	3.5789	.76303

The research noted to a great extent the organization routinely reviews the internal processes to ensure there is quality service provision (mean = 3.6754). The obtained responses showed

to a great extent the organization routinely reviews the code of conduct to ensure conformity to regulatory systems (mean = 3.5789). The analysis showed to a moderate extent (mean = 3.386) the organization has created a robust remuneration system to support attracting and retaining competent personnel. The managers noted to a moderate extent the organization has developed an internal control mechanism to guide the conduct of all corporate operations (mean = 3.4298). Further, to a moderate extent the respondents acknowledged that the organization has formulated clear policies to guide the utilization of resources allocated to each department (mean = 3.4825).

4.4.5 Staff in Commercial and Manufacturing Corporations

The study presented the management personnel with statements on the staff within the corporations and the summary of their opinion is shown below.

Table 4.6 Descriptive of Staff

	N	Mean	Std. Deviation
The organization ensures that all the staff members have the requisite skills to undertake their job duties	114	3.6316	.83362
The organization supports employee's professional growth through participating in capacity development programmes	114	3.5702	.74036
The organization ensures that employees are able to access training workshops to improve their competencies	114	3.5175	.68139
The organization routinely conducts employee appraisal to gauge their job performance levels	114	3.4035	.85930
The organization has put in place an internal mechanism to reward performing employees through internal job promotions	114	3.3421	.78514
The organization ensures that staff members are given the first priority in leadership succession to ensure continuity in operations	114	2.7456	.92947
The organization routinely rewards employees for their good job performance	114	3.3333	.82726

The managers indicated that to a great extent (mean = 3.6316) the corporation ensures that all the staff members have the requisite skills to undertake their job duties. Results noted that to a great extent the organization ensures that employees are able to access training workshops to improve their competencies (mean = 3.5175). The study revealed to moderate extent the organization has put in place an internal mechanism to reward performing employees through internal job promotions (mean = 3.3421). Participants demonstrated in a moderate extent the organization routinely rewards employees for their good job performance with a mean of 3.333 with moderate deviation in the responses submitted. Responses noted that to a great extent the organization ensures that staff members are given the first priority in leadership succession to ensure continuity in operations as shown by mean of 2.7456.

4.5 Correlation Analysis

To determine the strength and direction of the relationship between institutional factors and procurement performance, correlational analysis was done. The study relied on Spearman rank correlation tests and the summary of the results is presented below.

Table 4.7 Results of Correlation Analysis

			Procurement Performance	Structure	Leadership Style	System	Staff
Spearman's rho	Procurement Performance	Correlation Coefficient	1.000				
		Sig. (2-tailed)	.				
		N	114				
Structure	Structure	Correlation Coefficient	.304**	1.000			
		Sig. (2-tailed)	.001	.			
		N	114	114			
Leadership Style	Leadership Style	Correlation Coefficient	.321**	.464**	1.000		
		Sig. (2-tailed)	.000	.000	.		
		N	114	114	114		
System	System	Correlation Coefficient	.409**	.320**	.337**	1.000	.333**
		Sig. (2-tailed)	.000	.001	.000	.	.000
		N	114	114	114	114	114
Staff	Staff	Correlation Coefficient	.358**	.292**	.237*	.333**	1.000

	Sig. (2-tailed)	.000	.002	.011	.000	.
	N	114	114	114	114	114

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Findings indicates that there was a statistically significant weak and positive association between structure and the procurement performance within the state corporations since $r = .304^{**}$, $\text{sig} = .001 < .05$. The results showed there was a statistically significant weak and positive association between leadership style and the procurement performance within the state corporations since $r = .321^{**}$, $\text{sig} = .000 < .05$. Findings established there was a statistically significant moderate and positive association between system and the procurement performance within the state corporations since $r = .409^{**}$, $\text{sig} = .000 < .05$. Lastly, the analysis found out a statistically significant weak and positive association between staff and the procurement performance within the state corporations since $r = .358^{**}$, $\text{sig} = .000 < .05$.

4.6 Test for Linear Regression Assumptions

The research conducted tests for Normality, Collinearity and Linearity to ascertain the assumption of linear regression analysis.

4.6.1 Collinearity Analysis

Multi-collinearity occurs in statistics where two or more predictor variables in a multiple regression are highly correlated. The research implemented the tolerance values and variance inflation factors in the analysis (Kothari, 2004).

Table 4.8 Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Structure	.608	1.644
	Leadership Style	.633	1.579
	System	.754	1.327
	Staff	.791	1.264

a. Dependent Variable: Procurement Performance

Findings of the collinearity assumption showed that the study variables had obtained VIF values that were less than 10 with tolerance values being above 0.1 which was an indication of no collinearity violation.

4.6.2 Normality Analysis

The study further assessed the normality of data of the sample in respect of the variables in the study by checking for skewness and kurtosis of the data and findings are shown below;

Table 4.9 Normality Statistics

Variable	Skewness Statistic	Kurtosis Statistic
Procurement performance	.159	1.056
Structure	.216	.974
Leadership style	.273	1.672
System	-.014	.325
Staff	-.452	.592

The above findings showed that both the Kurtosis and Skewness statistic were between the ranges -1.96 and +1.96. These findings indicated there was not significantly difference from the normality because their values were within the range; thus, the conclusion the study variables met the threshold for normal distribution.

4.6.3 Linearity Analysis

The study tested for linearity of data using univariate analysis to ascertain that the variables under examination are linearly related for the study to qualify the use of regression model

Table 4.10 Linearity Statistics

		Sum of Squares	df	Mean Square	F	Sig.
Procurement Performance *	Deviation from Linearity	184.537	17	10.855	1.124	.343
Structure						
Procurement Performance *	Deviation from Linearity	183.757	16	11.485	1.129	.340
Leadership Style						
Procurement Performance *	Deviation from Linearity	94.500	12	7.875	.833	.617
System						
Procurement Performance *	Deviation from Linearity	180.755	15	12.050	1.402	.162
Staff						

Findings on linearity above showed that concerning deviation from linearity the variables had the following sig values; structure (.343), leadership style (.340), system (.617) and staff (.162) were above the sig value $>.05$ this signifying that the selected independent variable and dependent variable are linearly dependent. Hence can be adopted for regression analysis in the study.

4.7 Regression Analysis

This section presents the R square value for regression model summary, F statistics for regression ANOVA and t statistics for regression coefficient for the linear relationship between the institutional factors and procurement performance of commercial and manufacturing corporations in Kenya.

Table 4.11 Regression Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729 ^a	.531	.514	2.87674

a. Predictors: (Constant), Staff, Leadership Style, System, Structure

The findings of the regression findings showed a $R^2 = .531$ which showed that at least 53.1% of changes in dependent variable (procurement performance) are determined by the independent variables. The results confirmed a positive relationship between institutional factors (*Staff, Leadership Style, System, Structure*) and procurement performance.

Table 4.12 ANOVA Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	350.029	4	87.507	10.574	.000 ^b
	Residual	902.041	109	8.276		
	Total	1252.070	113			

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Staff, Leadership Style, System, Structure

The linear regression F statistics shown in the Table 4.12 above shows that there was a statistical and significant linear relationship between institutional factors and procurement performance in Kenyan state corporations ($F(4, 109) = 10.574, Sig = .000 < .05$).

Table 4.13 Regression Coefficients Summary

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.428	3.071		2.093	.039
	Structure	.131	.042	.147	3.119	.001
	Leadership Style	.038	.107	.036	.354	.724
	System	.257	.104	.232	2.476	.015
	Staff	.304	.098	.283	3.096	.002

a. Dependent Variable: Procurement Performance

The regression model for the research can be stated as;

$$Y = 6.428 + .131X_1 + .038X_2 + .257X_3 + .304X_4 + 3.071$$

To determine the effect of structure on public procurement performance in commercial and manufacturing state corporations in Kenya.

Findings established that structure within commercial and manufacturing corporations $X_1 = .131$, $Sig = .001 < .05$ which showed there existed a positive and significant effect. Thus, it was established that changing structure by a unit will lead to .131 in the procurement performance of the commercial and manufacturing state corporations in Kenya.

To establish the effect of leadership style on public procurement performance in commercial and manufacturing state corporations in Kenya.

The results indicated that leadership within commercial and manufacturing corporations $X_2 = .038$, $Sig = .724 > .05$ which showed there existed a positive and insignificant effect. Thus, it was established that leadership style had no effect on the procurement performance of the commercial and manufacturing state corporations in Kenya.

To determine the effect of systems on public procurement performance in commercial and manufacturing state corporations in Kenya.

The regression results revealed that structure within commercial and manufacturing corporations $X_3 = .257$, $Sig = .015 < .05$ which showed there existed a positive and significant effect. Thus, it was established that changing systems variable by a unit will lead to .257 in the procurement performance of the commercial and manufacturing state corporations in Kenya.

To examine the influence of staff on public procurement performance in commercial and manufacturing state corporations in Kenya.

Findings established that staff within commercial and manufacturing corporations $X_4 = .354$, $Sig = .002 < .05$ which showed there existed a positive and significant effect. Thus, it was established that changing staff variable by a unit will lead to .354 in the procurement performance of the commercial and manufacturing state corporations in Kenya.



CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The fifth chapter of the study focused on presenting the summary of the findings in line with the objectives of the research. The chapter presented the conclusions and recommendations of the study as guided by the results. Lastly, areas for further research work were presented.

5.2 Discussion of Results

This section presents a discussion of the findings. The findings are presented in line with the objectives of the study. From the analysis, it was determined that three objectives under review all have a significant effect on the public procurement performance in commercial and manufacturing state corporations in Kenya with only one being insignificant.

5.2.1 Structure and Public Procurement Performance

The study sought to investigate the relationship between structure and public procurement performance in commercial and manufacturing state corporations in Kenya. The study established that structure had a positive and significant effect on performance of public procurement. The Higgins Model affirmed that structure is comprised of jobs, the authority to carry on with those jobs, jobs grouping in a logical fashion, the manager's span of control, and the mechanism of coordination. Higgins (2005) further asserted that the execution of a business strategy heavily relies on the organizational structure as it helps in decision-making when it comes to jobs to be done. The findings implicate the establishing secure structures for delegating authority, job grouping and control will have positive effects on public procurement performance. According to Higgins (2005), structural harmony can be created through promoting policies of internal customer and cross-functionalism between departments.

The findings were corroborated by Ahmed, As-Saber, Fry, and Smith (2018) who examined bureaucracy and E-government in e-procurement initiatives in public institutions and revealed that core aspects such as structure had a significant effect on procurement adoption. The paper further found out that rigidity in government structures and poor coordination affected the successful adoption of e-procurement in the public sector. Ahmed (2015) focussed on the determinants and constraints to effective procurement management in government projects in Bangladesh and revealed that organization's culture, staff competency, coordination, strategic planning, and organization capacity positively affected procurement performance.

A study on Nigeria's public sector institutions by Manu, Mahamadu, Booth, Olomolaiye, Ibrahim, and Lamond (2019) investigated infrastructure procurement capacity gaps, applying quantitative analysis techniques, and found out that poor governance structure was one of the key deficiencies to better procurement in public institutions. This was also supported by Chacha (2020) examined the factors influencing the performance of public procurement in public institutions in Tanzania and found that organizational structure was a key determinant of public procurement performance.

In Kenya however, Chimwani, Iravo, and Tirimba (2014) conducted a case study on the State Law Office in Kenya and examined the factors influencing procurement performance. The study utilized descriptive, factor, and regression analysis in determining the association in the variables and the findings established that the state law office recorded poor procurement performance assessed by efficiency, effectiveness, and dependability. The analysis revealed that bureaucracy levels, poor compliance, enforcement, collaboration, and integration were not significant predictors of procurement performance. The analysis indicated that structure had an insignificant effect on public performance which is contrary to the results of this study.

5.2.2 Leadership Style and Public Procurement Performance

The study sought to investigate the relationship between leadership styles and public procurement performance in commercial and manufacturing state corporations in Kenya. The study established that leadership styles within commercial and manufacturing corporations had a positive and insignificant effect on performance on public procurement. Leadership style according to the Higgins model refers to how a firm's management conducts itself when it comes to relating with employees. The model further details how leaders treat other employees within the work environment hence bringing out the competencies and capabilities of the leaders while at the same time influencing employees' morale and productivity. This implies that commercial and manufacturing state firms can realize better performance outcomes if they seek leaders with ethical values, ability to integrate new procurement systems and support the organization through change management. Theoretical evidence calls for a balance between authoritative, compromising, and democratic leadership styles to realize strategic goals.

These findings were contrary to Khattak and Mustafa (2019) who examined the relationship between the management competencies, complexities, and performance in Pakistan's engineering infrastructure public sector projects. The results showed that leadership

competencies, management skills, communication, and effectiveness were critical and significant to public sector projects' performance.

Also the research by Asante and Boakye (2019) had different outcomes who examined top leadership's influence on procurement management in technical universities in Ghana whose results showed that top leadership regularly interferes with procurement management, leading to consistent loss of funds and lack of professionalism among procurement managers. Findings indicated that leadership influence negatively on procurement management responsiveness.

Additionally in Ghana, Etse, McMurray, and Muenjohn (2021) research reviewed the effect of regulation on sustainable procurement with organizational leadership and culture as mediators in the analysis. The results also showed that leadership support significantly mediated the relationship while the organizations' culture had no mediating effect. This was supported by Barare and Wambua (2018) who studied the relationship between ethical leadership and state corporations' performance in Kenya and their findings showed that ethical leadership had a positive effect on the authority's performance with leader's integrity, ethical training, ethical recruitment, and culture being significant predictors of state corporations' performance.

Cheptora, Osoro, and Musau (2018) analysed the effect of managerial style on procurement performance in Kenya's manufacturing firms. Results revealed that management style and employees' involvement were vital to the procurement performance within the manufacturing firms. Nyareru and Gichunge (2017) also studied the effects of leadership style strategy on Kajiado County Government's performance, Kenya, utilizing both primary and secondary research data and found that leadership styles were a significant predictor of performance within the county. The research focuses on a devolved unit's performance.

Research results (in different context, institutions and countries) hence vary widely, and more in-depth qualitative studies are needed in order to determine why leadership style showed only a positive but insignificant influence on procurement performance in state corporations.

5.2.3 Systems and Public Procurement Performance

The study sought to investigate the relationship between systems and public procurement performance in commercial and manufacturing state corporations in Kenya. The study established that systems within commercial and manufacturing corporations showed a positive and significant effect on performance on public procurement. According to the Higgins model, systems and processes assist an organization in executing its activities comprising of the

organization's formal and informal procedures to manage information systems, budgets and resource allocation systems, quality control systems, and remuneration systems. Implications are that state firms should acquire various systems that promote transparency and accountability in public funds management. In theory, organizational subsystems such as strategic planning systems, procurement and manufacturing processes, reward systems, quality-control systems, and performance measurement systems all affect how firms carry out their day-to-day functions.

These findings were corroborated by Masudin, Kamara, Zulfikarijah, and Dewi (2018) who analysed the impact of inventory management and procurement practices on an organization's performance on firms in Singapore and found that automation of procurement processes through adopting e-products and world-class systems contributed positively to firm performance. Tutu, Kissi, Osei-Tutu, and Desmond (2019) evaluated the critical factors for implementing e-procurement with a focus on public procurement authority of Ghana. The study findings indicated that availability of companywide planning and management systems was critical to the implementation of e-procurement.

In Kenya, Kipchumba and Keitany (2021) studied the influence of inventory control systems on procurement performance in the county government of Uasin Gishu. The study showed that the adoption of planning systems were positive and significant predictors of procurement performance which is in line with the findings of this study. Mwangi (2019) also researched the relationship between integrated financial management information systems (IFMIS) and procurement performance in the County Government of Nyeri. The study also found a significant association between adaptability of the systems, user technical and professional skills, and procurement performance in the county. The study, however, does not consider how other institutional elements impact procurement performance. Cheptora, Osoro, and Musau (2018) sought to determine the impact of information and communication technology on procurement performance in Kenya's manufacturing firms. Findings showed that the lack of adequate systems significantly influenced its procurement performance functions negatively.

5.2.4 Staff and Public Procurement Performance

The study investigated the relationship between staff and public procurement performance in commercial and manufacturing state corporations in Kenya. The study established that staff within commercial and manufacturing corporations reflected a positive and significant effect on performance on public procurement. According to the Higgins Model, staff are the practices

focused on staff training, career development, engagement, appraisals, and promotion. According to these findings, staff hiring and career development remain core to successful strategy execution. The implications are also that companies should strive to provide sufficient remuneration as well as penalties for deviation since this has significant impacts on employees' motivation and intention to conform to existing structures and systems. In theory, Higgins asserts that the number and types of employees within an organization have significant impacts on a firm's outcomes. Therefore, filling in staff with procurement competency will increase the effectiveness of the procurement process.

The study results were supported by Alabi (2020) who studied the factors negatively affecting efficient procurement processes in small and medium enterprises in Australia and determined that staff competence and resource allocation were significant factors predicting the procurement process's efficiency. A study by Chogozie and Emmanuel (2018) focused on human capital development in organizational performance in manufacturing industries in South-East Nigeria. The study showed that staff knowledge, improved staff skills, and continuous professional development were vital to manufacturing firms' performance. In Ethiopia, Abera (2019) sought to determine the factors influencing procurement performance in Addis Ababa Police Commission employing a descriptive and explanatory research approach and using primary instruments. The study findings indicated that inadequacy of skills among procurement staff, poor staff qualifications of the tendering process, market conditions, and procurement procedures significantly affected the procurement performance.

The study was also supported by various studies from Kenya including Nyaporo and Atambo (2017) who examined the factors influencing the implementation of government electronic procurement systems in the county government of Nyamira. The findings noted that employee aspects within the county determined e-procurement readiness. The results indicated that user training, improved user competencies, and skills contributed to embracing e-procurement in the county. Odero and Ayub (2017) studied the effect of procurement practices on public sugar manufacturing firms' procurement performance in Western Kenya. The regression results showed that procurement planning and staff competency positively and significantly influenced procurement performance. These findings concur with another study by Wanyonyi and Muturi (2015) who noted that staff competencies such as employees' training, better teamwork, acquaintance with procurement laws, and employing competency and qualified staff are vital to procurement performance.

5.3 Conclusions

The study findings led to the conclusion that institutional factors overall have an extensive impact on the procurement performance of state corporations. This is overall an important conclusion as other factors (especially external ones) might have also played a much bigger role as this research indicates. However, one of the main limitations of this research is its usage of exclusively quantitative data which did not allow further explanations from each respondent on his/her answer. Hence, this research clearly shows the great importance of institutional factors in Kenyan's state corporations, but lacks more information on the specificities which is clearly a field of further research. Accordingly, the conclusions and recommendations remain rather broad:

Of the institutional factors analysed the performance of public procurement in commercial and manufacturing state corporations in Kenya is positively related to the structure, leadership style, systems and staff. The study also concluded that the structure, systems and staff of state owned commercial and manufacturing corporations have a significant and positive effect on the performance of public procurement. The study further revealed that leadership styles have a positive but insignificant effect on the performance of public procurement.

The study results on the first objective informed the conclusion that structure has a positive and significant effect on public procurement performance. The study further established that presence of a decentralized mechanism, clear lines of authority, clear roles and responsibilities of all stakeholders and distinguishable and well-known chains of authority there is enhanced operational efficiency in any firm. Additionally, an organization that supports duty delegation, fosters coordination and continuously reviews its policies invokes a better organizational structure which brings about better performance.

Findings on the second objective gave the conclusion that leadership styles contribute a positive and insignificant effect on public procurement performance. This showed that the various leadership styles attributes within the state corporations have not been critical to supporting better procurement performance. Hence, leadership style did not have an effect on performance of the procurement function in state corporations. However research in other contexts did have other conclusions. As this research was solely quantitative, further qualitative data is lacking to further analyse why these differences come about.

Generally the established that leaders who actively empower subordinate employees and routinely involve them in decision making demonstrating flexibility in the decision-making

process, contribute to high performance. These leaders also encourage creativity and innovativeness, ensure a conducive work environment is maintained and ensuring that the leadership team is comprised of technically competent leaders for efficient organization operations. The study also concluded that empowering the staff, adequate resource allocation, effective feedback, communication, and practical problem solving were key to enhancing performance.

The study results on the third objective informed the conclusion that systems had a positive and significant effect on public procurement performance. The study established that routinely reviewing the internal processes and evaluating the utilization of resources while also creating a conducive environment for investment and uptake of new technology is important for enhancing performance in a firm. The study further concludes that implementation of clear policies in an organization, development of an internal control mechanism and a robust remuneration system were vital in maintaining competent personnel and improving operational efficiency.

Lastly, the findings further concluded that staff had a positive and significant effect on public procurement performance. The study findings revealed that an organization that support employee's professional growth with access to training facilities, conducts employee appraisal and ensures that there is an internal mechanism to reward performing employees all contribute to the effect on the public performance. The study also established that availability of members of staff with the requisite skills is also vital for company performance.

5.4 Recommendations

The study results found that institutional factors are key influencing factors for public procurement performance. Accordingly, a major focus should be placed on internal issues starting from the factors under review in this study. However, more explanation is needed to further determine the specific issues in each organization and possible structural problematic patterns.

However, in general structure is an essential aspect in public procurement performance. The study therefore recommends that organizations' structure should be well put in place, well communicated and effectively adhered to. This will be in order to guide the daily operations of the public procurement process and to provide them with guiding principles. This will also ensure ultimate objectivity, accountability, and non-discrimination among employees and management. Although leadership style was found to be insignificant in public procurement

performance, it had a positive effect. The study recommends that more information is needed to fully understand the varying outcomes of different studies. More qualitative data is therefore needed to fully give additional recommendations. Generally, the procurement function must be placed in strategic management level in an organization which has a high procurement turnover, for it to be exercised to its full potential.

The study results indicated that systems positively affect the performance of procurement in a firm. One way of applying systems in a firm is through automation of various processes. The study therefore recommends that the procurement process should be automated to reduce the error rates and discrepancies in the process and align their procurement procedures. Acquiring and installing of the latest ICT systems and hiring knowledgeable personnel to run the procurement operations should thereby increase the procurement performance of organizations.

Research indicated that staff is a very vital and important aspect that positively affects performance. Training is very integral in development of staff. This will increase their expertise and thus contribute greatly to the efficiency in the procurement process. The study recommends that organizations must ensure that suitable candidates are employed based on merit and placed in their relevant qualifications, skills, and experience with their roles and responsibilities clearly defined to avoid role conflicts with other professions and departments.

5.5 Suggestions for Further Research

Most importantly further in-depth and qualitative research needs to be conducted on each factor under review in this research to determine clearer recommendations and to be able to better understand some conflicting outcomes with other studies. Additionally, only a few institutional factors have been picked for this research. Other factors of the Higgins model (e.g. strategy, resources) would be another good complementation to the results.

The study was further only focused on commercial and manufacturing state organizations. However, the procurement process is essential to almost all sectors. The study therefore suggests further studies on the other sectors of the government as well as the private sector. This can serve as a good basis for comparison of sectors and the possibility to identify lessons learned applicable for other sectors.

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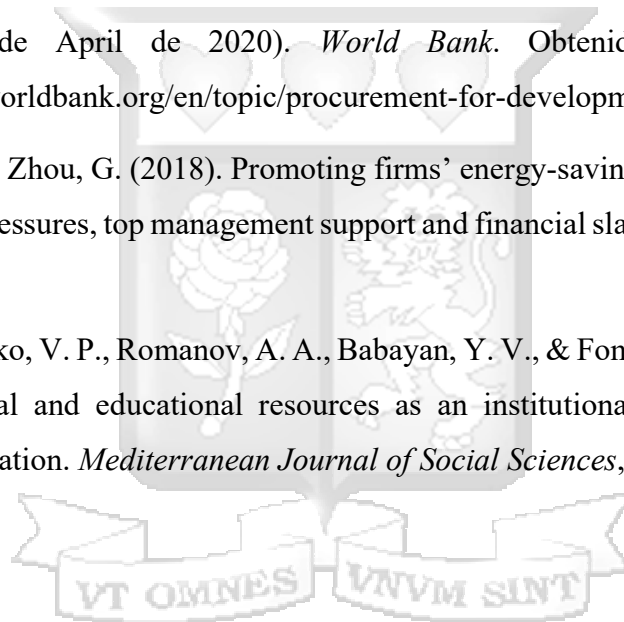
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APPENDICES

Appendix I: Strathmore University Introduction Letter

Ole Sangale Rd, Madaraka Estate,
P.O Box 59857 00200, Nairobi, Kenya,
Cell: +254 703 414/6/7, Twitter: @SBSKenya
Email: info@sbs.ac.ke or visit www.sbs.strathmore.edu



Monday, February 28, 2022

To whom it may concern.

RE: FACILITATION OF RESEARCH – KATHARINA MATHIAS

This is to introduce Katharina Mathias who is an MBA student at Strathmore University Business School, admission number MBA/110315/18. As part of our MBA Program, Katharina is expected to do applied research and to undertake a project. This is in partial fulfilment of the requirements of the MBA course. To this effect, she would like to request for appropriate data from your organization.

Katharina is undertaking a research paper on "*Effect of Institutional Factors on Public Procurement Performance in Commercial and Manufacturing State Corporations in Kenya.*" The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MBA seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share the findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support, and we shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Caroline Tiara". The signature is fluid and cursive, with a small dot at the end.

Caroline Tiara,
Manager – MBA Programs.

Appendix II: Ethical Research Approval



4th April 2022

Mrs Mathias Katharina,
katharina.mathias@strathmore.edu

Dear Mrs Mathias,

RE: Effect of Institutional Factors on Public Procurement Performance in Commercial and Manufacturing State Corporations in Kenya.

This is to inform you that SU-IERC has reviewed and **approved** your above **SU masters'** research proposal. Your application reference number is **SU-IERC1306/22**. The approval period **4th April 2022 to 3rd April 2023**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.


Yours sincerely,


for: **Dr Ben Ngoye,**
Secretary; SU-IERC

Cc: Prof Fred Were,
Chairperson; SU-IERC




Appendix III: NACOSTI Research License


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **803093** Date of Issue: **22/April/2022**


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Appendix IV: Research Questionnaire

Dear Sir/Madam,

the attached questionnaire is aimed at getting information from personnel within commercial and manufacturing state corporations on *effect of institutional factors on public procurement performance in Kenya's commercial and manufacturing state corporations*. I kindly ask for your assistance in answering the attached questions to the best of your ability.

Thank you for your participants in this research work.

Part A: Demographic Information

1. What is your age bracket?

Below 35 years of age ()

36-45 years ()

46-55 years ()

Over 56 years ()

2. What is your gender identity?

Male ()

Female ()

3. What is your current educational attainment?

Graduate degree ()

Postgraduate degree ()

Others ()

4. How long have you been working within the commercial and manufacturing state corporations?

Below 5 years ()

6-10 years ()

11-15 years ()

Over 16 years ()

5. Which department do you work within the commercial and manufacturing state corporation?

Strategy Manager ()

Procurement Manager ()

Human Resource Manager ()

Finance Manager ()

PART B: EFFECT OF INSTITUTIONAL FACTORS ON PUBLIC PROCUREMENT PERFORMANCE IN KENYA'S COMMERCIAL AND MANUFACTURING STATE CORPORATIONS

Kindly indicate your extent of agreement with the following statements using the shown scale below;

1= Not extent at all, 2= To little extent, 3 = To a moderate extent, 4= To a great extent and 5 = To a very great extent.

No	Procurement performance of commercial and manufacturing state corporations	1	2	3	4	5
1.	The organization ensures that value for money is attained in the conduct of the procurement process					
2.	The organization ensures there is strict adherence to the procurement budgetary provisions throughout the process					
3.	The organization ensures that efficiency is maintained in sourcing and undertaking of the entire procurement process					
4.	The organization has put in place structures to ensure there is effective utilization of procurement funds					
5.	The organization ensures that all relevant information to the procurement process is disclosed to the public					
6.	The organization supports transparency in the sourcing, tendering, recruitment and overall conduct of the procurement process					
7.	The organization regularly reviews the internal procurement practices for conformity to the public procurement guidelines					

PART C: TO DETERMINE THE EFFECT OF STRUCTURE ON PUBLIC PROCUREMENT PERFORMANCE IN COMMERCIAL AND MANUFACTURING STATE CORPORATIONS IN KENYA

Kindly indicate your extent of agreement with the following statements using the shown scale below;

1= Not extent at all, 2= To little extent, 3 = To a moderate extent, 4= To a great extent and 5 = To a very great extent.

No	Structure	1	2	3	4	5
8.	The organization has put in place decentralized mechanism to foster firm operations					
9.	The organization has developed clear lines of authority to enhance operational efficiency					
10.	The organization supports adequate low formalization processes to limit bureaucratic aspects in firm operations					
11.	The organization supports delegation of duty which enhances the empowerment of employees					
12.	The organization continuously reviews the policies to foster employee involvement in the decision-making process.					
13.	The organization fosters coordination within the various departments to enhance the efficiency in firm operations					
14.	The organization has designed clear roles and responsibilities for all employees to improve firm operations					
15.	The organization ensures that employees are well-aware of the chains of authority to ensure better control of operations					

PART D: TO ESTABLISH THE EFFECT OF LEADERSHIP STYLE ON PUBLIC PROCUREMENT PERFORMANCE IN COMMERCIAL AND MANUFACTURING STATE CORPORATIONS IN KENYA

1= Not extent at all, 2= To little extent, 3 = To a moderate extent, 4= To a great extent and 5 = To a very great extent.

No	Leadership Style	1	2	3	4	5
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16.	The organization leaders actively empower subordinate employees to work better					
17.	The organization leaders routinely involve the subordinate staff in strategic planning and decision making					
18.	The organization management team is comprised of technically competent leaders who drive operations effectively					
19.	The organization leaders encourage creativity and innovativeness across the workplace					
20.	The organization leaders routinely demonstrated flexibility in their decision-making process					
21.	The organization leaders have put in place mechanisms to drive the development of employee and enhance their own professional growth					
22.	The organization leaders have ensured that a conducive work environment is maintained to ensure productivity in the workplace					

PART E: TO DETERMINE THE EFFECT OF SYSTEMS ON PUBLIC PROCUREMENT PERFORMANCE IN COMMERCIAL AND MANUFACTURING STATE CORPORATIONS IN KENYA

1= Not extent at all, 2= To little extent, 3 = To a moderate extent, 4= To a great extent and 5 = To a very great extent.

No	Systems	1	2	3	4	5
23.	The organization routinely reviews the internal processes to ensure there is quality service provision					
24.	The organization routinely evaluates the utilization of budgeted resources across the various units					
25.	The organization continuously invests in new technologies to ensure there is better service provision					

26.	The organization has created a conducive innovative environment to drive adoption of emerging technologies					
27.	The organization has created a robust remuneration system to support attracting and retaining competent personnel					
28.	The organization has formulated clear policies to guide the utilization of resources allocated to each department					
29.	The organization has developed an internal control mechanism to guide the conduct of all corporate operations					
30.	The organization routinely reviews the code of conduct to ensure conformity to regulatory systems.					

PART F: TO EXAMINE THE INFLUENCE OF STAFF ON PUBLIC PROCUREMENT PERFORMANCE IN COMMERCIAL AND MANUFACTURING STATE CORPORATIONS IN KENYA

1= Not extent at all, 2= To little extent, 3 = To a moderate extent, 4= To a great extent and 5 = To a very great extent.

No	Staff	1	2	3	4	5
31.	The organization ensures that all the staff members have the requisite skills to undertake their job duties					
32.	The organization supports employee's professional growth through participating in capacity development programmes					
33.	The organization ensures that employees are able to access training workshops to improve their competencies					
34.	The organization routinely conducts employee appraisal to gauge their job performance levels					

35.	The organization has put in place an internal mechanism to reward performing employees through internal job promotions					
36.	The organization ensures that staff members are given the first priority in leadership succession to ensure continuity in operations					
37.	The organization routinely rewards employees for their good job performance					

Thank you for the time and responses.



Appendix III: List of State Commercial and Manufacturing Firms

1. Agro-Chemicals and Food Company
2. Chemelil Sugar Company
3. East African Portland Cement Company
4. Gilgil Telecommunications Industries
5. Jomo Kenyatta Foundation
6. Kenya Airports Authority
7. Kenya Broadcasting Corporation
8. Kenya Electricity Generating Company
9. Kenya Literature Bureau
10. Kenya Ordinance Factories Corporation
11. Kenya Pipeline Company
12. Kenya Ports Authority
13. Kenya Power and Lighting Company
14. Kenya Railways Corporation
15. Kenya Civil Aviation Authority
16. Kenya Safari Lodges and Hotels
17. Kenya Seed Company Limited
18. Kenya Wine Agencies
19. Kenyatta International Convention Center
20. National Cereals and Produce Board
21. National Housing Corporation
22. National Oil Corporation of Kenya
23. National Water Conservation and Pipeline Corporation
24. Numerical Machining Complex
25. Nzoia Sugar Company
26. Postal Corporation of Kenya
27. Pyrethrum Board of Kenya
28. School Equipment Production Unit
29. South Nyanza Sugar Company
30. Telkom Kenya Limited
31. University of Nairobi Enterprises and Services Limited
32. New Kenya Co-operative Creameries Ltd
33. Kenya Electricity Transmission Company

