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PROCUREMENT PROCESS OPTIMIZATION AND PERFORMANCE OF COMMERCIAL STATE CORPORATIONS IN KENYA

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Abstract: Commercial state corporations in Kenya have adopted procurement optimization strategies to ensure cost reduction and improve efficiency in their supply chains. However, despite the adoption of procurement optimization strategies, the performance of commercial state corporations in Kenya remains low, and in most cases continues to decline. This study therefore sought to investigate the effect of procurement process optimization on the performance of commercial state corporations in Kenya. This study utilized a descriptive research design. The unit of observation was managers in finance, procurement/supply chain, operations and information and communication technology departments in the 33 commercial state corporations in Kenya making a total population of 132. Purposive sampling was used to select managers in commercial state corporations. Secondary data was obtained from annual reports of the commercial state corporations. Primary data was collected by use of a semi-structured questionnaire. A pilot test was conducted to assess the validity and reliability of the research instrument. The questionnaires generated both quantitative and qualitative data. Thematic analysis was used to analyze qualitative data from the open-ended questions and the results were presented in a narrative form. Descriptive and inferential statistics were used in analyzing quantitative data with the help of the Statistical Package for Social Sciences (SPSS version 24) statistical software. Descriptive statistics included frequency distribution, percentages, mean, and standard deviation. Inferential data analysis was done using correlation analysis and linear regression analysis. The results were then presented in tables and figures such as bar charts and pie charts. The study found that procurement process optimization has a positive and significant effect on the performance of commercial state corporations in Kenya. Therefore, the study recommends that commercial state corporations should use technology to manage the entire procure-to-pay cycle instead of the traditional manual method since procurement automation speeds up the procurement process by freeing employees from repetitive and time-intensive tasks, minimizes labor costs and reduces errors.

Key Words: *Procurement Process, Optimization, Performance, Commercial State Corporations*

INTRODUCTION

In today's dynamic business landscape, organizations face the challenges of heightened competition, globalization, and intricate supply chains (Mathias, 2020). Evolving customer demands and global market shifts have spurred significant transformations in supply chain dynamics across various industries. To maintain a competitive edge and sustain performance, companies have revamped their approach to managing logistics and operations, emphasizing procurement process optimization. As described by Ganderton (2019), procurement process optimization entails a comprehensive strategy focused on maximizing value generation within procurement and supply chain operations through the integration of people, processes, and technology. By aligning these elements, organizations aim to enhance efficiency, mitigate risks, and capitalize on strategic opportunities, thereby driving long-term success and resilience in a rapidly changing business environment.

Procurement process optimization significantly impacts organizational performance by improving efficiency, reducing costs, and enhancing overall effectiveness (Victor, 2017). By streamlining procurement workflows, minimizing cycle times, and automating routine tasks, optimization efforts can lead to faster decision-making, increased productivity, and better resource utilization. Moreover, optimization fosters better supplier relationships, enables strategic sourcing decisions, and enhances supply chain resilience, thereby mitigating risks and ensuring business continuity. By aligning procurement practices with organizational goals and priorities, optimization contributes to improved financial performance, higher customer satisfaction, and sustainable growth. Organizations that are capable of managing their supply chains optimization better usually gain advantages like increased market share, international network, financial performance as well as the efficiency on the performance to expand even their brand names in terms of services and the products that they offer (Mwangi, 2021).

Jayawardhena and Jayaratne (2019) found that procurement process optimization positively impacts on the performance of apparel organizations in Sri Lanka with the most prominent benefits of procurement process optimization being improved transparency in transactions. Rosli and Songip (2017) reported that in Malaysia, procurement process optimization plays an important role to ensure the success of supply chain management thus improving the organization performance. In Uganda, Kawuki (2019) indicates that the most important benefit of procurement optimization is reflected on the savings of an organization. According to Madzinga and Sibanda, (2020) procurement process optimization has led to cost reduction, improved transparency, and accountability among others in Zimbabwe. In Rwanda, Harelimana (2018) observed that procurement optimization is significantly related to the performance.

In Kenya, Ingavo and Moronge (2019) found that procurement process optimization has a very strong positive relationship with performance of state corporations and therefore need to be considered in any effort to enhance performance of the state corporation in Kenya. Mwangi and Arani (2021) found a positive significant relationship between procurement process optimization and performance of State Corporations. Moturi (2017) established that there exist a significant relationship between procurement process optimization and performance of commercial state corporations hence need for commercial state corporations to invest in the required equipment, personnel and knowledge to facilitate the procurement optimization process. Kituzi (2021) found that a significant positive relationship between procurement process optimization and organizational performance of manufacturing firms in Nairobi County Kenya. Oyoo and Noor

(2020) revealed that procurement optimization technique is a contributing towards customer satisfaction, return on investments and return on assets and thus overall improvement of performance of commercial state corporations in Kenya.

Statement of the Problem

Commercial state corporations play an important role national growth and development as they help in building the state's technical capabilities and capacities. They also play an important role in enhancing public service delivery and meeting the needs of the people, as well as creation of employment opportunities. As such, the efficiency and cost effectiveness of their operations and supply chains are important to the production of goods and service delivery (Victor, 2017). As indicated by Kutata and Noor (2021), commercial state corporations in Kenya have adopted procurement optimization strategies to ensure cost reduction and improve the efficiency in their supply chains. However, despite the adoption of procurement optimization strategies, the performance of commercial state corporations in Kenya remains low, and in most cases continues to decline (Ingavo & Moronge, 2019).

In 2017, the performance index of state corporations in Kenya was at 68%, which decreased to 57.3% in 2018 and further dipped to 44.3% in 2019. In addition, the performance index on the efficiency and economic use of resources in state corporations in Kenya declined from 88.7% in 2016 to 68% in 2017 and to 57.3% in 2018 (State Corporations Advisory Committee, 2019). Further, 21% of commercial state corporations reported losses while 25.9% issued profit warnings, denoting that their net earnings would be 25% below the profit obtained in the previous year. It is therefore important to understand how the procurement optimization affects the performance of commercial state corporations in Kenya.

Various studies have been conducted on supply chain and procurement process optimization in various sectors in Kenya. For instance, Mwangi (2021) conducted a study on the influence of supply chain optimization on the performance of manufacturing firms in Kenya; Kazungu and Ochiri (2019) examined the effect of inventory optimization on performance of state corporations in Kenya; and Kutata and Noor (2021) examined the relationship between procurement optimization and the performance of regulatory state corporations in Nairobi City County. However, Mwangi (2021) study was conducted among manufacturing firms while Kutata and Noor (2021) study was limited to regulatory state corporations. The supply chain and operation of these organizations differ from those commercial state corporations in terms of raw materials, frequency of supply and performance measurement. In addition, Kazungu and Ochiri (2019) study only focused on inventory optimization, which is only one component of procurement optimization. This study therefore sought to investigate the effect of procurement process optimization on performance of commercial state corporations in Kenya.

Literature Review

Theoretical Framework

This study was anchored on innovation diffusion theory, which was developed by Everett Rogers in the year 1962. The theory has been described as the process through which new ideas, practices, or technologies are spread into a social system (Rogers, 2010). It originated in communication to explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that

people, as part of a social system, adopt a new idea, behavior, or product. Adoption means that a person does something differently than what they had previously (i.e., purchase or use a new product, acquire and perform a new behavior, etc.). The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible. Adoption of a new idea, behavior, or product (i.e., "innovation") does not happen simultaneously in a social system; rather it is a process whereby some people are more apt to adopt the innovation than others are (Sirk, 2020).

DOI holds that the results of diffusion are adoption, implementation, and institutionalization. An individual or organization adopts an innovation upon the decision to acquire the innovation, implements the innovation by putting it into practice and testing it, and institutionalizes the innovation by supporting its full incorporation into typical practice routines. Rogers asserted that there are four main elements in the diffusion process: (a) the innovation, (b) the communication channels through which the innovation is diffused, (c) time, and (d) the social system (Dearing, and Cox, 2018).

The stages by which a person adopts an innovation, and whereby diffusion is accomplished, include awareness of the need for an innovation, decision to adopt (or reject) the innovation, initial use of the innovation to test it, and continued use of the innovation. There are five main factors that influence adoption of an innovation; relative advantage, compatibility, complexity, trialability, and observability (Niu, 2020). Relative Advantage refers to the degree to which an innovation is seen as better than the idea, program, or product it replaces. Compatibility is the consistency the innovation is with the values, experiences, and needs of the potential adopters.

Sujatha and Sekkizhar (2019) indicate that complexity refers to how difficult the innovation is to understand and/or use. Triability is the extent to which the innovation can be tested or experimented with before a commitment to adopt is made and observability is the extent to which the innovation provides tangible results. Researchers have found that firms who adopt an innovation early have different characteristics than people who adopt an innovation later. This theory explains five different adopter categories as innovators, early adopters, early majority, late majority and laggards (Marak, Tiwari & Tiwari (2019).

The innovation diffusion theory was used to explain the effect of procurement process optimization on performance of commercial state corporations. The adoption of technology in procurement processes improves the efficiency and cost effectiveness of the procurement process. Information technology adopted is considered compatible with various practices in the procurement process. It terms of complexity, the procurement process technology is considered easy to learn by individuals including procurement officers and the management. In terms of trialability, the technology can be tried in the procurement department before committing to use it and in terms of observability the benefits of the technology can be observed.

Conceptual Framework

A conceptual framework is a theoretical structure or model that outlines the key concepts, variables, relationships, and assumptions underlying a research study or theory. It serves as a blueprint for understanding and interpreting the phenomena under investigation by providing a systematic framework for organizing and analyzing data. The independent variable in this study was procurement process optimization. The dependent variable was performance of commercial state corporations in Kenya.

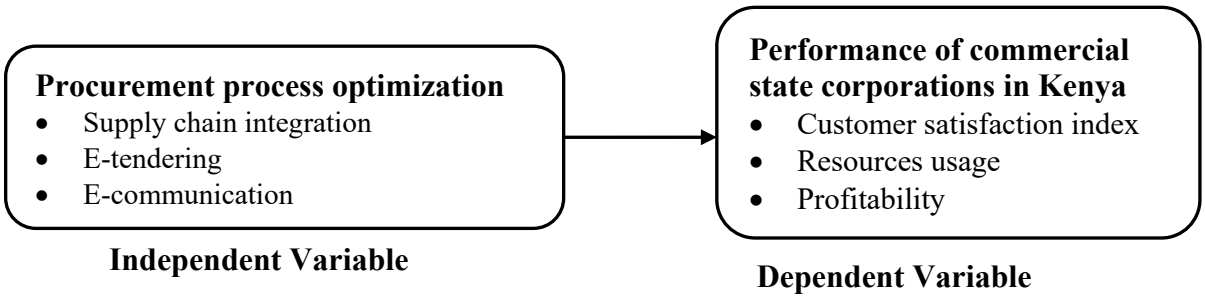

Figure 1: Conceptual Framework

Empirical Review

Amin (2018) examined the relationship between electronic procurement and organizational performance among commercial state corporations. The study adopted a descriptive research design where a sample size of 40 respondents who were selected through stratified sampling was involved in the study. Primary data was collected from supply chain officers by use of a questionnaire. The findings indicated that commercial state corporations in Kenya have adopted e-procurement but there are several functions they still perform manually. These include, short listing of suppliers, call for proposals and tendering process. It was also established that e-procurement has led to cost reduction, improved transparency, and accountability among others.

Ingavo and Moronge (2019) carried out a study with the purpose of establishing how E-procurement influence organizational performance of state corporations in Kenya. The study employed descriptive research design with sample population of 127 State Corporations in Kenya. The study used primary data which was collected using a comprehensive questionnaire. The study findings indicated a very strong positive relationship between E-Tendering, E-Sourcing, E-Ordering and E-Invoicing and the performance of state corporations in Kenyan.

Obunde, (2019) conducted a study with an aim of assessing the effect of E - Procurement on supply chain organizational performance of County Governments in Kenya: Case Study of Busia County Government. The study used correlational research design to conceptualize this research. Procurement staffs of the government were the target population. The researcher collected the data from all the 56 employees. The study found that Electronic Order Processing, Electronic Materials Management, Electronic Supplier Management and Electronic Tendering have a positive effect on Supply Chain Performance of County Governments in Busia County Government.

Waithaka and Kimani (2021) carried out a study to examine the effect of E-Procurement practices on supply chain organizational performance. The researcher employed a method of reviewing desktop literature. To assess the feasibility of the subject for testing, three processing stages were applied on the subject under review. This was the first step of the original identification of all papers based on the effect of electronic sourcing activities on the efficiency of the supply chain. A second quest covered fully available literature on the issue of e-procurement processes and efficiency of the supply chain. The third stage included the collection of journals that were freely available. The researcher arrived at 12 papers that were relevant for review after an in-depth quest into the top key terms (e-procurement processes, supply chain management, performance). The results revealed that e-procurement is positively related with performance of supply chain function of County Governments in Kenya.

Using a descriptive design, Keana (2019) assessed the relationship between automated procurement systems and organizational performance of supermarkets in Nairobi. The target population of this study was the supermarkets in Nairobi Kenya which are about 52 supermarkets in Nairobi, Kenya. Given that this is a relatively small population, a census was used. The study revealed that majority of supermarkets relied on electronic mail and automated identification bar-coding systems to transact their procurement operations more than any other systems mentioned to them. It was also established that time was saved and this propelled the retail chains to gain competitive advantage in the supermarket industry. Moreover, accuracy of products ordered and delivered was maintained when those systems were used.

Nguta (2020) examined the effect of electronic procurement on organizational performance among commercial state corporations. The study adopted a descriptive research design where a sample of 40 respondents were selected through stratified sampling was involved in the study. Primary data was collected from supply chain officers by use of a questionnaire. The study findings indicated that the commercial state corporations in Kenya have adopted E-procurement but there are several functions they still perform manually. These include short listing of suppliers, call for proposals and tendering process. It was established that e-procurement has led to cost reduction, improved transparency and accountability among others.

Research Methodology

This study utilized a descriptive research design. The unit of analysis was 33 commercial state corporations in Kenya as indicated by State Corporations Advisory Committee (2019). The unit of observation was managers in four departments, which included finance, procurement/supply chain, operations and information and communication technology, in commercial state corporations in Kenya. The departments were used in this study because they are involved in the procurement process and in the supply chain of their organizations. The target population of the study was managers in finance, procurement/supply chain, operations and information and communication technology departments in the 33 commercial state corporations in Kenya.

Table 1: Target Population

Category	Target Population
Finance	33
Procurement/supply chain	33
Operations	33
Information and Communication Technology	33
Total	**132**

Source: State Corporations Advisory Committee (2019)

Purposive sampling was used to select managers in finance, procurement/supply chain, operations and information and communication technology departments as they are directly involved in procurement optimization and performance of commercial state corporations. Since the population of managers in finance, procurement/supply chain, operations and information and communication technology departments is small, a census approach was used. It is considered to be a complete count of the whole population, wherein each and every unit of the population is included in the collection of data.

The study used both primary and secondary data. Secondary data was obtained from annual reports of the commercial state corporations. Primary data was collected by use of a semi-structured questionnaire. To test the validity and reliability of the research instrument, a pilot test was conducted with 10% of the sample size (13 individuals) from two commercial state corporations to assess the validity and reliability of the research instrument. According to Babbie (2017), 10% of the sample required for a full study should be used in a sample size. This study used two types of validity, content validity and face validity. In this study, face validity was enhanced by using reviews from experts in the field of procurement and supply chain including the supervisor. Content validity was enhanced by arranging the questions in the questionnaire as per the indicators and objectives of the study. Construct validity was assessed using confirmatory factor analysis. Reliability was assessed using Cronbach's alpha and a value of 0.7 was considered acceptable.

The questionnaires generated both quantitative and qualitative data. Thematic analysis was used to analyze qualitative data from the open-ended questions and the results were presented in a narrative form. Descriptive and inferential statistics were used in analyzing quantitative data with the help of the Statistical Package for Social Sciences (SPSS version 24) statistical software. Descriptive statistics included frequency distribution, percentages, mean, and standard deviation. Inferential data analysis was done using linear regression analysis. The results were then presented in tables and figures such as bar charts and pie charts. Since the independent variables in this study were four in numbers, the linear regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Whereby; Y = Performance of commercial state corporations; B_0 = Constant; β_1 =Coefficients of determination; X_1 = Procurement process optimization; ε = Error term

Research Findings and Discussions

The target population of this study consisted of 132 managers in finance, procurement/supply chain, operations and information and communication technology departments in the 33 commercial state corporations in Kenya. Out of the 132 questionnaires that were distributed, 109 questionnaires were dully filled and returned to the researcher hence providing a response rate of 82.58%. Babbie (2017) suggests that 75 percent response rate is adequate for data analysis, drawing conclusions as well as making recommendation. This denotes that 82.58% response rate was adequate for data analysis.

Procurement process optimization

The respondents were requested to indicate their agreement level on statements regarding procurement process optimization on performance of commercial state corporations in Kenya. As shown in Table 2, the respondents agreed with a mean of 3.886 (SD=1.139) that supply chain integration ensures better quality and on-time delivery of goods and service. These findings conform to Hoey (2019) arguments that supply chain partnerships results in improved quality, improved delivery, final customers get better quality, reliable on-time delivery and more responsive service. Moreover, they agreed that there have been improved inventory management in the organization as shown by a mean of 3.614 (SD=1.055). Moreover, the respondents agreed that the organization has improved the ability to respond to rapid changes in the market. This is shown by a mean of 3.568 (SD=1.102).

With a mean of 4.023, (SD=0.922), the respondents agreed that E-tendering reduces the duration of time taken in the tendering process. These findings are in line with Flechsig, Anslinger and Lasch (2021) findings that E-tendering makes tendering process to be quick and easier. In addition, they agreed that E-tendering improves accountability and transparency in the tendering process as shown by a mean of 3.705 (SD=0.790). Moreover, the respondents agreed with a mean of 3.500 (SD=1.313) that the organization has adopted e-tendering.

The respondents agreed with a mean of 3.750 (SD=1.096) that there have been provision of instant feedback. These findings concur Frenz, 2017) discoveries that electronic communication allows the instant exchange of feedback. Moreover, they agreed with a mean of 3.682 (SD=1.228) that E-communication has played a major role in saving time and money in the organization. Furthermore, the respondents agreed that electronic communication ensures information reach large number of recipients as shown by a mean of 3.614 (SD=0.915).

Table 2: Aspects of Procurement Process Optimization

	Mean	Std. Deviation
There have improved inventory management in the organization	3.614	1.055
Our organization has been improved the ability to respond to rapid changes in the market	3.568	1.102
Supply chain integration ensures better quality and on-time delivery of goods and service	3.886	1.139
Our organization has adopted e-tendering	3.500	1.313
E-tendering reduces the duration of time taken in the tendering process	4.023	0.922
E-tendering improves accountability and transparency in the tendering process	3.705	0.790
E-communication has played a major role in saving time and money in our organization	3.682	1.228
There have been provision of instant feedback	3.750	1.096
Electronic communication ensures information reach large number of recipients	3.614	0.915

The respondents were requested to specify how else procurement process optimization influences the performance of commercial state corporations in Kenya. The respondents indicated that procurement automation speeds up the procurement process by freeing employees from repetitive and time-intensive tasks and maximizes efficiency. Moreover, the respondents disclosed that automating procurement enables it to be better aligned with the objectives of the business across the organization as a whole. Further, the respondents indicated that procurement process optimization enables a business to be more nimble and reactive to the changing environment in which it operates. In addition, the respondents noted that automating procurement increases productivity, acts as a central repository, improves collaboration between internal and external teams and removes approval bottlenecks.

Performance of Commercial State Corporations

The dependent variable in this study was performance of commercial state corporations. The respondents were requested to indicate their agreement level on different statements regarding performance of commercial state corporations in Kenya. As shown in Table 3, the respondents

agreed with a mean of 3.909 (SD=0.853) that goods and services provided by the organization meet the customer expectations. Moreover, they agreed that the customer satisfaction index of the organization has been increasing as shown by a mean of 3.750 (SD=1.196). These findings concur with Lindfors (2019) findings that procurement optimization leads customer satisfaction, economic use of resources and increased return on assets. In addition, the respondents agreed with a mean of 3.500 (SD=0.994) that the customers are satisfied with the quality of goods and services offered in the organization.

With a mean of 3.864 (SD=1.166), the respondents agreed that ROI in the organization has been increasing over the years due to maximum utilization of resources. Moreover, they agreed that proper utilization of resources has improved the productivity of the organization as shown by a mean of 3.796 (SD=1.063). Nonetheless, the respondents disagreed that there have been cases of over or under-utilization of specific resources as shown by a mean of 2.250 (SD=0.887). These findings are in line with Pales (2018) findings that maximum utilization of resources gives a better ROI and ensures that specific resources are not being over or under-utilized

With a mean of 3.796 (SD=1.186), the respondents agreed that ROA in the organization has been increasing. Moreover, they agreed that they are satisfied with the profits made by the organization as shown by a mean of 3.864 (SD=0.973). Nonetheless, the respondents disagreed that the profit generated by the organization has been decreasing over the years as shown by a mean of 1.977 (SD=0.694). These findings are contrary to the report made by State Corporations Advisory Committee (2019) that 21% of commercial state corporations in Kenya reported losses in 2019.

Table 3: Aspects of Performance of Commercial State Corporations

	Mean	Std. Deviation
The customer satisfaction index of our organization has been increasing	3.750	1.196
Our customers are satisfied with the quality of goods and services offered in the organization	3.500	0.994
The goods and services provided by our organization meet the customer expectations	3.909	0.853
ROI in our organization has been increasing over the years due to maximum utilization of resources	3.864	1.166
There have been cases of over or under-utilization of specific resources	2.250	0.887
Proper utilization of resources has improved the productivity of our organization	3.796	1.063
ROA in our organization has been increasing	3.796	1.186
The profit generated by our organization has been decreasing over the years	1.977	0.694
Am satisfied with the profits made by our organization	3.864	0.973

Inferential Statistics

In this section, inferential statistics such as linear regression and correlation analysis were used to examine the influence of procurement process optimization on performance of commercial state corporations in Kenya.

Correlation Analysis

Pearson product-moment correlation coefficient was utilized to assess the strength of association between independent variable (procurement process optimization) and dependent variable (performance of commercial state corporations). The findings were as presented in Table 4. The study found a positive and significant relationship between procurement process optimization and performance of commercial state corporations in Kenya (r=0.728, p-value=0.000). The p-value=0.000 was less than 0.05, thus the relationship was considered to be significant. These findings are in line with Nguta (2020) arguments that e-procurement has led to cost reduction, improved transparency and accountability among others.

Table 4: Correlation Coefficients

		Performance of commercial state corporations	**Procurement process optimization**
Performance of commercial state corporations	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	109	
Procurement process optimization	Pearson Correlation	.728**	1
	Sig. (2-tailed)	.000	
	N	109	109

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

Regression Analysis

Linear regression analysis was carried out to examine the relationship between independent variable (procurement process optimization) and dependent variable (performance of commercial state corporations). As depicted in Table 5, R-squared for the relationship between procurement process optimization on performance of commercial state corporations was 0.277 which means that 27.7% of the variation of dependent variable (performance of commercial state corporations) could be explained by independent variable (procurement process optimization).

Table 5: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.526[a]	0.277	0.256	0.31589

a. Predictors: (Constant), Procurement process optimization

In this study, the ANOVA was performed to determine if the model was good fit for the data. As shown in Table 6, the F-calculated was 165.164 and the F-critical from the F-distribution table was 3.920. Because the F-calculated was greater than F-critical and the p-value (0.000) was not more than the significance level (0.05), the model was considered to be a good fit for the data.

Table 6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.784	1	12.784	165.164	.000[b]
	Residual	8.282	107	0.077		
	Total	21.066	108			

a. Dependent Variable: Performance of commercial state corporations
b. Predictors: (Constant), Procurement process optimization

The regression equation was;

$Y = 0.801 + 0.294X_1 + \varepsilon$

The study findings indicated that procurement process optimization has a positive and significant effect on the performance of commercial state corporations in Kenya (β_2=0.294, p-value=0.001). Because the p-value of 0.001 was less than the significant level (0.05), the relationship was considered to be significant. This means that an enhancement in procurement process optimization will lead to 0.294 improvement in the performance of commercial state corporations. The findings confirm to those of Waithaka and Kimani (2021) who found that e-procurement is positively related with performance of supply chain function of County Governments in Kenya.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.801	.315		2.547	.013
	Procurement process optimization	.294	.088	.486	3.335	.001

a. Dependent Variable: Performance of commercial state corporations

Conclusions and Recommendations

The study concludes that procurement process optimization has a positive and significant effect on the performance of commercial state corporations in Kenya. The findings indicated that supply chain integration, E-tendering and E-communication influences the performance of commercial state corporations in Kenya. This means that an improvement in procurement process optimization (supply chain integration, E-tendering and E-communication) enhances the performance of commercial state corporations in Kenya.

This study recommends that commercial state corporations should use technology to manage the entire procure-to-pay cycle instead of the traditional manual method since procurement automation speeds up the procurement process by freeing employees from repetitive and time-intensive tasks, minimizes labour costs and reduces errors. Moreover, procurement automation increases productivity, acts as a central repository, improves collaboration between internal and external teams and removes approval bottlenecks.

Recommendation for Further Research

The general objective of the study was to investigate the effect of procurement process optimization on performance of commercial state corporations in Kenya. However, the study focussed on commercial state corporations. As a result, this study recommends that more studies should be conducted to determine how procurement process optimization influences the performance of other commercial corporations in Kenya. Furthermore, the study found that procurement process optimization can explain 27.7% of the performance of commercial state corporations. As such, more studies should to be conducted to examine other factors that influence the performance of commercial state corporations.

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