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**INFLUENCE OF E-PROCUREMENT PRACTICES ON PERFORMANCE OF  
COUNTY GOVERNMENT IN KENYA: A CASE OF MERU COUNTY  
GOVERNMENT**

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**Abstract**

The study focused on the influence of e-procurement practices on performance of Kenyan counties with specific reference to Meru County government. The specific objective of the study will be to establish the influence of e- annual procurement planning, e- supplier sourcing, e-tendering and e-payment management on e-procurement practices in county government in Kenya. The study used descriptive research design and stratified random sampling procedure to select the sample that will represent the entire population. The researcher targeted 400 respondents from the three levels of management and a sample size of 200 respondents. Questionnaire administration was the main method of data collection. Then the results were analysed by linear regression and statistical packages for social sciences where use of quantitative and qualitative techniques which involves use of tables and charts for easy interpretation. The study found that the four factors such as e-procurement planning, e-supplier sourcing-tendering and e-payment was realised to influence e-procurement practices on performance of county government in Kenya. It was concluded that e-procurement planning in county government not to achieve procurement practices objectives of getting them solved as 84% respondents said. It was also noted that 81% of respondents, responded that e-supplier sourcing can affect procurement practices and e-tendering helps to solve procurement practices through understanding the situations according to 85% respondents who supported. Recommendations were made by the study that better e-procurement planning should be adopted to give better direction to procurement practices, county government should improve on e-supplier sourcing and should ensure there is extensive research on to ensure linear e-tendering is achieved in all levels of management to deal with performance of Kenya county government.

**Keywords:** *e-procurement Planning, Performance, County Government*

**INTRODUCTION**

E-Procurement is evolving globally in the public sector, so attempts have been made in Singapore, the UK, the USA, Malaysia, Australia and the European Union. Its programs are also part of the e-Government activities of a country to better represent its people and companies in the digital economy. For example, under its e-Government master plan,

Singapore's GeBIZ was introduced as one of the programs (Khalfan et al., 2022). It is inhabited by two kinds of vendors; that is, broad enterprise resource planning (ERP), which provides e-Procurement as one of its services, and the more accessible services primarily based on e-Procurement.

It is reported that an e-Procurement system operates via a website to handle tenders. It can therefore be obtained almost worldwide and has increased access to tenders as well as generating increased efficiency in making conventional buying processes more cost-efficient and effective growth of business models for electronic commerce, such as an organizational procurement platform, as an obstacle for products beyond mere technical functionality. Top stakeholders in the management board support organizational adaptation and employee preparation are examples of challenges for the effective implementation of the IT system organization (Panayiotou et al., 2014).

Looking at the Greek e-procurement version, highlighted the e-procurement process, the re-engineering of procurement tactics and expectation management as key elements of success in e-procurement adaptation practices. The conclusion was that implementation had to be completed in a "incremental exchange" manner in which legislation and policies were enforced through technical solutions. E-Procurement within the government is currently listed as one of the main fields in the government-to-business (G2B) class and receives a great deal of attention from researchers (Vaidya & Campbell, 2016).

The national e-Procurement challenge study on digital public procurement up (2004), states that e-Procurement is a method to facilitate procurement operations, including the procurement, ordering, commissioning, receipt and payment of the entire spectrum of sports of an expert. For a long time, Kenya's public procurement system has seen recurring trends. In the 1960s, public procurement in Kenya was controlled by Treasury Circulars and the General Public Procurement and Disposal Act (PPDA), which went into effect in 2005, and the Procurement Regulations, which went into effect in 2006, respectively. Throughout the history of Kenya's public procurement system, there have been notable trends that have emerged. Public procurement in Kenya underwent a major shift in 2005 when the General Public Procurement and Disposal Act (PPDA) and the Procurement Regulations of 2006 came into effect. As a result, ethical supply chain management in Kenya is becoming a mainstream public zone business exercise. Public procurement ethics provide companies with guidelines and guidance for shopping in order to increase ethical buying practices in their supply chains (Ngari, 2012). Similarly, even also for customers, this steering extends to any and all that are responsible for handling the procurement of products or services from an external supply. It has become important for public agencies to have an ethical policy or code of ethics on procurement features. The Chartered Purchasing and Distribution Institute (CIPS) claims that public institutions should uniformly apply the procedure set out in their paintings (as laws, regulations, rules and techniques) and should inspire all community systems to include precise moral business activities in all regions. In this scenario, businesses have to involve all stakeholders in this strategy as well.

Several improvements have taken place in Kenya with respect to ICT, but over the first 10 years of initiation now not nicely through a prison system. The creation of the Multi-Stakeholder Kenya ICT Movement Network was a terrific improvement. A coverage technique considered inclusive has been catalyzed within the group, resulting in the first draft ICT coverage document of the United States of America that was adopted via cupboard in February 2006. While digital trade is considered to be linked to several ministries, Kenya's verbal exchange fee (CCK) is responsible for revitalizing and reworking the financial system into an e-trade focused marketplace today. In terms of market boom and profit making due to

insufficient and unsustainable procurement approaches, many companies in Kenya and worldwide have reported poor overall results. Employees were fired due to persistent lateness and incorrect mentality of poor performance.

### **Statement of the Problem**

Devolution is one of the major changes that the constitution adopted by Kenyans at the referendum held on 4<sup>th</sup> August 2010 and promulgated on 27<sup>th</sup> August 2010 has made to the arrangement of government in Kenya. This is in spite of the fact that Kenya experimented with a similar system at Independence. This flier has been produced to make the new devolved system easy to understand and to avoid confusion which normally come with very many interpretations from equally very many sources. There are two levels of government created on equal basis by the constitution these are the county and national governments. The constitutions divide Kenya into 47 Counties (with clearly defined geographical boundaries). This is found in article 6(1) and the 1st schedule. The boundaries of each county have been drawn by the independent electoral and boundaries commission (IEBC) as provided by the constitution. The county government has two arms namely legislature which is county assembly and the executive committee which is executive arm (Kabira & Kibugi, 2020).

The constitution provides in article 203(2) that for every financial year the equitable share of revenue raised nationally that allocation to county government shall be not less than 15% of all revenue collected by the national government. This is the mandate to be given to counties. The national government remains with 85%. This is the first source of revenue for the counties. The law guiding management of the county government finances is the Public Finance Management Act 2012. Kenya devolved its county government functions in the year 2013, this resulted to devolution of county treasuries to respective county headquarters. There are 47 counties in Kenya, where Meru County is one of densely populated counties. The National Treasury has made compulsory for Kenyan Counties to use e-procurement practices which includes e-planning, e-sourcing and e-tendering, during all procurement processes to minimize high rate of corruption cases and promote procurement principles, as a result many counties are faced with many difficulties to have a lean supply chain management. Since for lean e-supply chain, there must be good internet services for effective connections between public procuring entities, suppliers and public procurement controlling and advisory bodies such as public procurement oversight authority (PPOA), Meru county being one of the 47 devolved largest counties, has challenges in e-procurement practices as result of poor e-connections in some sub counties such as those far from county headquarters such as Igembe and Tigania Sub-counties, these affect e-procurement practices on performance of Meru County, Kenya.

### **Objectives of the study**

To examine the influence of e-procurement planning on performance of Meru County Government in Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

Due to the dynamic nature of the procurement industry, most governments in the world have accepted e-procurement as a priority (Electronic Purchasing) and often have likewise applied or are in the method of introducing purchase-side e-Procurement systems. However, the academic evaluation of e Acquisition tasks, like the ones in the case study, like the ones in this situation... may be very rigid, restrictive, and should not be that way (Birks, Bond & Radford, 2001). Since analyzing the e-procurement literature from the last five years, it has become clear that middle structures around this phase have been missing. It was decided that the reason behind the recent rise in smoking is that public administration is not completely

enforcing electronic procurement programs. Despite the paucity of information on e-procurement schemes in the public sector, Teicher et al. (2002). claims there is very little information on their use in the public sector and is minimal in the literature that has surpassed it. The paper would investigate the CSF and is likely to be able to persuade the progress of e-purchasing initiatives in the public sector. The key research concerns are to acquire an exploratory understanding of electronic purchasing problems in the public market; to educate a methodological context that can assist in the recognition of important factors in introducing and applying the electronic purchasing measure within the public market; and to encourage discussion about the electronic purchasing CSFs and the relevant initiatives for achievement. E-procurement covers all forms of procurement that are handled, carried out, or purchased independently. This includes tender and pricing agreements, price consolidation and outsourcing of a few services, e-marketing and e-auction/opposite auction, and e-Catalogue/buying. E-procurement is super simple so it can be carried out without the need of looking for tons of papers and records. The University of Minnesota's best model for e-Procurement is that e-Procurement usually should not pass past the idea stage. It also administers a variety of distinct models for the academic study setting, which may come from your company and the assessment of its activities (Piot et al., 2015).

While such end-to-cause answers provide good and usually rich functionality, they're built in particular to succeed in only one or other applications and thus face diverse challenging circumstances. While, this paper will address with the quit-to-stop e-Procurement method on the way to prevent misunderstanding but will not bear in mind trendy e-mail, electronic fax, voice correspondence, or non-net/net mainly dependent procedures, which are known as partial traditional e-Procurement solutions. As one of the center enablers of an e-commercial enterprise deliver chain, e-Procurement in this newsletter is conceptualized as a branch of e-trade. In the same time as e-commerce is real-world purchases that are done by mobilized consumers on electronic networks, e-Procurement is electronic processes automation of multiple procurement processes that happen on the internet (Wicaksono, Urumsah & Asmui, 2017).

E-Procurement is well defined a vector, therefore; the implementation has been defined. In the field of information systems, it is a common definition to provision the “primitive technique” of the gadget, and then to struggle the task to arrive at the “beta” version of the technique—from there, to advance to the “alpha” model, and then to “the” version of the technique have seen in their research, first-rate change of a new service can be defined as an operational phase that can stretch over a long period of time. The more recent addition of the word is because of the diffusion-based totally fashions of innovation acceptance in relation to e-trade/e-business.

Over the past forty years, at the same time as personal and public quarter organizations have been using statistics era (IT) programs to streamline and simplify their buying and various procedures, it's miles easiest within the beyond decade that e-Procurement systems have drawn attention. We don't know how much time has lapsed between E-advent procurement's and now. (Dai & Kauffman, 2001), there is no question that e-Procurement offers certain benefits over other inter-organizational technologies, such as email and phone calls. During the last couple of years, such interfaces have been used where computers have been communicating with files (as in storage) similarly as individuals have been communicating among individuals (as in the workplace). Web-based mail (e-mail) was first used in the 1970s, after which came the commercial usage relating to the period's internet in the 1980s. I ended up better during the Nineties that the industry wide internet (the worldwide net)

switched its full multimedia capabilities - limitless platforms to bring images, sound and text - and barged off with the location it was promised to be rescued.

According to Koorn, Smith and Mueller (2001), there are two types of "Buyer E-Procurement" frameworks; and two styles of "Seller E-Procurement" structures. They are "Intermediary structures" that cross the gap for e-Procurement & e-Business. This paper focuses mainly on buyer e-Procurement structures, which typically demonstrate one of the philosophies of frameworks in e-Procurement: organization network and utility of business enterprise. While various e-marketplaces have been introduced focused on the principle of the business network, it is typical for two innovations to be in the company's usefulness philosophy in the implementation of e-procurement systems: workflow machinery combined with an e-procurement framework that enables charge requirements; and the electronic catalog that lists the items and prices of suppliers over the internet. There is one other distinctive approach among these philosophies that public sector organizations have had for the adoption of e-Procurement: an end-to-give up method of e-Procurement (the "massive bang" technique) and the incremental application of it. Other strategies involve the use of features such as e-Tendering, e-RFQ, e-Auctions, e-Catalogues, e-Invoicing and other e-commerce (a type of e-commerce).

The critical item gamers in the e-Procurement marketplace, along with Arriba, Intimidation, Oracle, and SAP, created these devices, including whole marketplace technologies. Regardless of the various forms and sizes of electronic procurement (e-procurement) structures within the industry, a common consensus has been reached that the basic process of e-procurement is the same in all public sectors and can be translated into a circumstance where true automated technology can be utilized by the general public sector (Chan & Owusu, 2022). This paper would not conform to a good design trend, as its organization, content, and thought are influenced, since it is focused on a poor technical theory and its rationalization is still in motion again. The central task that drives this research is to consider the supporting mechanisms shaping the public sector deployment of e-Procurement systems.

### **Empirical review**

The fundamentals of logistics, supply chain management (SCM), and e-commerce are all intertwined in the world of e-procurement. There are a number of ways to distinguish between these phrases, but in practice, the issues they bring are almost identical. Financial, transportation, legal, and communication infrastructure all play a role in these endeavors (Venkataraman, 2014). If a country is unorganized in one or some of these essential infrastructure areas, so it is going to be more vulnerable to topple. Beyond these four considerations, the purchasing staff need to undergo education, the protection must be sufficient, the community must be ready for the use of ICT and the wireless technology, and the financial side ought to be included in the expenditure decisions.

Implementing Web-based e-procurement system not only could make the operational processes of the buyer organization more effective but also could make the order fulfillment process of the supplier organization more efficient and improve partner relationship management. The main objective of the order fulfillment process that buyer expected is supplier can deliver qualified products to fulfill its orders at the right time and right place (Lin and Shaw 2008). The order fulfillment performance can be improved if supplier can recognize the order, so that the order demand patterns are more transparent to the supplier. In order for supplier to enhance order fulfillment performance, buyer and supplier have to share information. For instance, Toyota shares its inventory and sales information with its suppliers. Having access to such information helps Toyota's suppliers plan and manage their operations better and Toyota can coordinate the inventory orders effectively; as a result, the

implementation of just in time (JIT) delivery strategy can be achieved (Chopra & Meindl 2001). Web-based e-procurement enables the information to be shared among trading partners, such as sales forecasts, production schedules, inventory levels, and product specifications. Developing a purchasing strategy that will enhance internal customer satisfaction on eProcurement function is a complex process and there are a lot of factors that has to be taken into account, which factors vary between companies, commodities, situation and environment. Davila, Gupta and Palmer (2013) states that another aspect to consider when developing a strategy is how many parallel sources supply should be used. A company can choose to take all supply from a single supplier, which is usually called single sourcing, or they can take their supplies from two or more suppliers, called dual or multiple sourcing. The different strategic are appropriate in different situations. Single sourcing is appropriate when. Bottler prices can be achieved through larger volumes (economies of scale), quality is important, A strong influence over a supplier is advantageous, In addition to quality, control and coordination required with just-in-time manufacturing require a single source, significantly lower freight costs many result; special tooling or machinery is required, and the use of more than one supplier is impractical or excessively costly, total system inventory will be reduces, an improved commitment on the supplier's part results, improved interdependency and risk sharing result and time to market is critical.

The contracting authority prepares a (completed) acquisition timetable for individual purchases for any of the required purchases upon receipt of the completed purchasing request from the appropriate department. A want plan is a blueprint on how to render an acquisition, and it informs the panel and all other ad-hoc people on the acquisition process. The procurement strategy requires the following information: the assignment of the requirement, such as the timeframe appropriate for the implementation, activity or execution of the goods, works, services or consultants, the estimated value of the requirements, the suggested procurement process, the reason for the use of a system other than open tendering, the estimate of the duration needed for each tender,

The acquisition strategy is from Public Procurement Oversight Authority (PPOA), and it must be adhered to. Providing equal and free competition is one main factor for a competitive procurement. This also tends to limit legal restrictions that could actually prevent a company from doing anything. It also helps to guarantee that the government is having the best pricing for the products. Implementing Web-based e-procurement system not only could make the operational processes of the buyer organization more effective but also could make the order fulfillment process of the supplier organization more efficient and improve partner relationship management. The main objective of the order fulfillment process that buyer expected is supplier can deliver qualified products to fulfill its orders at the right time and right place (Lin & Shaw, 2008). The order fulfillment performance can be improved if supplier can recognize the order, so that the order demand patterns are more transparent to the supplier. In order for supplier to enhance order fulfillment performance, buyer and supplier have to share information. For instance, Toyota shares its inventory and sales information with its suppliers. Having access to such information helps Toyota's suppliers plan and manage their operations better and Toyota can coordinate the inventory orders effectively; as a result, the implementation of just in time (JIT) delivery strategy can be achieved (Chan & Owusu, 2022).). Web-based e-procurement enables the information to be shared among trading partners, such as sales forecasts, production schedules, inventory levels, and product specifications. Developing a purchasing strategy that will enhance internal customer satisfaction on eProcurement function is a complex process and there are a lot of factors that has to be taken into account, which factors vary between companies, commodities,

situation and environment. Dobler and Burt (1996) states that if suppliers are involved earlier in the buyer design process of the E-procurement system, they can contribute with their expertise in the following areas: Material specifications, tolerances, standardization, order sizes, process ethanol's in supplier manufacturing, packaging, inventory & transportation, via a web designed interlink. Further Yu, Zeng and Zhao (2019) states that another aspect to consider when developing a strategy is how many parallel sources supply should be used. A company can choose to take all supply from a single supplier, which is usually called single sourcing, or they can take their supplies form two or more suppliers, called dual or multiple sourcing. The different strategic are appropriate in different situations. According to Yu et al. (2019) single sourcing is appropriate when. Bottler prices can be achieved through larger volumes (economies of scale), quality is important. A strong influence over a supplier is advantageous. In addition to quality, control and coordination required with just-in-time manufacturing require a single source, significantly lower freight costs many result; special tooling or machinery is required, and the use of more than one supplier is impractical or excessively costly, total system inventory will be reduces, an improved commitment on the supplier's part results, improved interdependency and risk sharing result and time to market is critical.

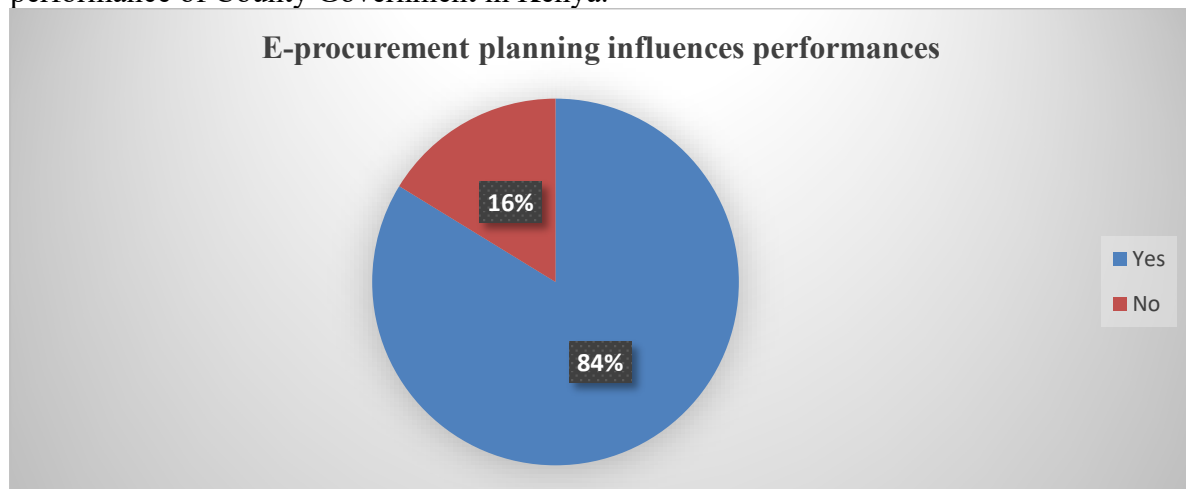
### **METHODOLOGY**

The study used a descriptive design. The target population was the resident of Meru County, which contribute towards acquiring data that reflects effectiveness of performance of e-procurement within the Meru County. These are the staffs in the Departments of Procurement and Supplies, Integrated Financial Management Information Systems (IFMIS Departments), Information Communication Technical Department, Stores and Warehouses Departments. The county has target population of 400 customers. A sample of 200 customers is randomly selected from stratified population within the Meru County. The researcher was directed in selecting the suitable sample size for the sample population to be recruited in the study by the use of Yumane's Formula (Yemane's 1964). A questionnaire was used in data collection. The data was coded and updated for completeness and accuracy. Statistics was used to explain the input, the purposes, and the outcomes. A comprehensive statistical assessment was achieved by using statistical package for social science (SPSS).

### **STUDY FINDINGS**

From the analysis of the research, 80% of the employees responded by filling in the questionnaires.

The objective of the study was to examine the effect of E- Procurement Planning on the performance of County Government in Kenya.



### Figure 1: E-procurement planning influence on performances

Source: Author (2023)

From figure 1 above, 84% of the respondents indicated that e- procurement planning affects how performance is addressed in Meru County while 16% of the respondents indicated that e-procurement planning has no effect on performance. These shows that majority of the respondents said that e-procurement planning can affect the performance in all County Government in Kenya.

**Table 1: Extent of e-procurement planning influence on performance**

Category	Frequency	Percentage%
Very Great	111	69
Great	40	25
Low	6	4
Very Low	3	2
<b>Total</b>	<b>160</b>	<b>100</b>

Source: Author (2023)

From table 1, the number of the respondents who felt that e-procurement planning affects performance of County Government in Kenya to a very great extent were 69%, 25% indicated a great extent, 4% a low extent, 2% a very low extent. Better e-procurement planning has to be adopted to address County Government in Kenya.

The study found that e-planning is vital in improving e-procurement planning as it affects the way employees are motivated towards achieving a stated goal and on how policies in the firm are communicated. When leaders communicate and make clear policies, employees are satisfied and no complain will be raised. If County Government can have the expected e-procurement planning, then it is likely to have a substantial growth in meeting its County's Performances.

#### Conclusions

The study made conclusion that e- procurement planning towards performance in County Government should be improved, there is much satisfaction by employees, regardless of the working conditions when leaders create an understanding environment to employees. County Government should have better leaders who can give a good direction to employees in time of problems. It was concluded that employers should ensure they make a better working environment for employee's safety and security. This encouraged morale of employees then having less complains. The study made conclusions employee understanding is achieved through better passing of information in every flow of activities is efficient. This ensures that the organization activities are well controlled and coordinated for the success and achievement of organizational objective.

#### Recommendations

The study recommends that County Government organizations should ensure that they adopt the best leadership style such that it should give better decisions and strategies towards employee's grievance. Through that Nairobi Meru County Government will be able to have the best idea forward.

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