

**INFLUENCE OF TOP MANAGEMENT SUPPORT ON PROCUREMENT  
PERFORMANCE IN COUNTY GOVERNMENTS IN KENYA: A CASE STUDY OF  
KISII COUNTY GOVERNMENT**

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**Abstract**

The problem the study addressed was procurement malpractices in Kisii County. On several occasions, the Auditor's report indicated that various counties were involved massively in procurement malpractices through inflation of procured goods. A number of studies had been conducted in other counties to address the problem. Despite the recommendations that had been given to streamline procurement practices, the issue had continued to persist. The objective of the study was to determine the influence of Top Management Support on procurement performance in Kisii County. The study was anchored on Nortel Network External Environment Theory. Descriptive research design was used. The target population was all employees in the departments involved in procurement activities, that is the IT department, the Accounts and Finance department as well as the Procurement and Logistics department were also involved in the study. Purposive and simple random sampling techniques were used to select the data. The data in the study was collected through use of a questionnaire which was structured to capture quantitative data. Both descriptive and inferential statistics were to be used to analyze the data. The results indicated that Top management and procurement performance are positively correlated,  $r(90) = .87, p = .00$ . Based on the results, the study recommends that county governments should put in place measures to enhance top management support for better performance in the procurement sector. More focus should be given to the management as the focal point in enhancing procurement performance.

**Keywords:** *Top Management Support, Procurement Performance, County Governments*

**INTRODUCTION**

Public finance management aims to reduce procurement costs as well as enhance efficiency in the public sector (World Bank, 2020). This troubles the public sector across the developed and developing countries. As a result, the countries have embarked on reforms and restructuring of their rules and regulations in order to improve public procurement performance (Nyoike, 2019). Among the institutions and other agents in the public sector, procurement is shrewd with malpractices leading to losses (Mutangili, 2019). The need to have public procurement legislation was necessitated because of several reported malpractices in most government entities (Amemba, Nyaboke, Osoro & Mburu, 2013). Any government department that does not fully implement the Public Procurement legislation

cannot attain optimal customer satisfaction and thus it is not able to deliver the required level of service to the public (Amayi & Ngugi, 2013).

Onyango(2020) indicated that due to poor procurement structures and policies, lots of public money has been wasted. In the modern world, public procurement has been so critical that it has attracted attention and debate as well as led to enactment of reforms and rules to reorganize it (World Bank, 2020). Public procurement has been shrouded in myriad malpractices in the procurement processes. It is argued that engaging in public procurement has become the biggest earner for corrupt politicians, vendors, civil servants and other stakeholders who get involved (Manyenze, 2013). Vilcu et al. (2020) demonstrated that through inefficient procurement methods, failure to strictly impose sanctions and non-compliance to procurement regulations, public financial resources get wasted. The problem of procurement performance in the public sector is not Kenyan problem only.

Bosio et al. (2018) argued that poorly coordinated procurement activities, lack of compliance to procurement laws and regulations and ineffective structures greatly affect performance of organizations in both the private and public sector. In the UK and European countries, cases of malpractices in procurement activities are not rampant because of well-established regulations and structures (Jefferson, 2013). In a contrary opinion, Fazekas and Kocsis (2018) and Sinha et al. (2019) indicated that it's not just in the developing countries that procurement activities are marred by corruption but also in the developed economies as well. Taking the case of Malaysia, Hui *et al* (2011) agreed that procurement malpractices exist and that most to blame were the procurement officers involved in the activities.

Previously, there was no disciplinary action against those who either broke the rules or breached procurement contracts, other than internal disciplinary actions. In the year 2005, there was a review of the procurement systems which was done by the joint efforts of the Kenyan government and the European Union. The review established among others, weak institutional frameworks, poor linkages of procurement activities, less transparency as well as inefficiencies caused by among other factors, lack of effective records management practices. As a result, the government focused on coming up with the Public Procurement and Disposal Act and an oversight authority, Public Procurement Oversight Authority (PPOA) to ensure efficiency in procurement activities (Otieno, 2015). PPOA had been mandated to audit procurement contracts and monitor procurement activities and systems in the public sector and report on its functioning. The same derived its powers from the PPDA Act (2005) (Edward, 2011). Due to inherent challenges, the Act was amended to PPADA 2015. Despite these reforms, public procurement in the public sector still faced challenges (Mwangi, 2020). This led to issues of mismanagement of public funds in the process of procurement of goods and services. Despite the abundance of research literature on procurement malpractices, this problem still continued to persist.

Therefore, further studies were still required in this area to conclusively address the matter. The research intended to fill the gap by conducting an investigation on the influence of institutional factors on public procurement performance in Kisii County. Most studies carried out in this field focused on external factors and employees' qualifications. The study focused on corporate institutional factors to fill the gap and provide recommendations that would be adopted to enhance overall efficiency in procurement practices.

Furthermore, the management ought to ensure that daily procurement practices are in line with the organization's values, vision and mission as it is from these practices that an organization culture develops. Different organizations have different cultures, and according to Goggins (2018) culture defines an organization's internal and external identity. This made the study relevant as it investigated the culture of procurement practices and procurement performance of Kisii County. The other factor that the study focused on was institutional

framework. Qazi et al. (2017) defined institutional framework as a set of formal structures and informal norms, which govern the day-to-day activities of an organization.

Top management support refers to the degree to which top management understands its importance and gets involved in the information system activities in an organization (Liu et al., 2020). According to the researchers, a successful information system was crucial in enhancing top management support, due to the hierarchical nature of public procurement departments. The success of any procurement department rests upon top management readiness in providing full support and prior implementation of the information system. Although previous research in this field regarding the impact of top management on procurement were well grounded, they focused more on information systems and single organizations, hence contributing to data scarcity in this area. Furthermore, given the importance of top management support on procurement success and the scarcity of empirical evidence in this field, the study sought to fill this gap by investigating the influence of top management support on procurement practices in Kisii county government.

### **Statement of the Problem**

Transparency International (2012) statistics indicated that between 20 and 30 percent of the budgetary allocations to procurement in the public sector in Kenya is lost through poor procurement performance. The auditors (2016) report also demonstrated poor procurement performance in the county governments. AfriCOG, (2015) also indicated that public procurement in the county governments faces challenges. Studies on procurement performance had also left knowledge gaps which the study sought to fill. The studies in Kenya such as Grandia and Voncken (2019) which focused on implementation of procurement practices in public projects, Owili (2013) which focused on procurement in NGOs in Kenya, Kinuthia and Abdallah (2015) which focused on ICT adoption in procurement practices in the public sector, Ngure and Simba (2015) which focused on procurement performance in the public sector, Odero and Ayub (2017) which focused on factors affecting procurement audits of CDF projects and Onyinkwa (2014) which focused on determinants of implementing procurement regulations in the county governments did not offer solutions to which factors are underwriting in procurement performance of county governments, hence a need for the study. Furthermore, the studies also focused on different variables and contexts and were not similar to what the study investigated.

### **Purpose of the Study**

To determine the influence of Top Management Support on procurement performance in County Governments in Kenya

## **LITERATURE REVIEW**

### **Theoretical Literature**

#### **The Nortel Network External Environment Theory**

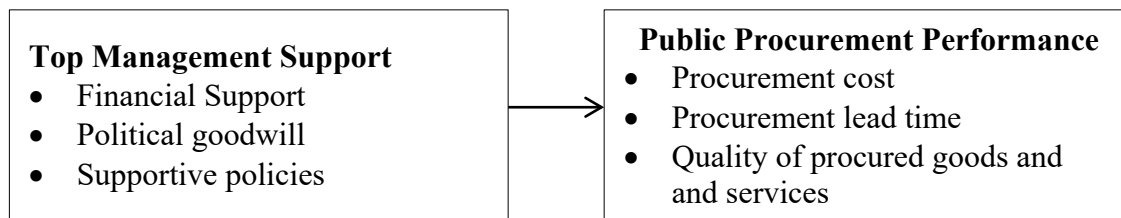
Nortel (1999) proposed the theory which sheds more light on the role of the external environment on organizational performance. The theory acknowledges that organizations don't act in a vacuum and can be influenced externally by either economic situations, culture, technological change, legal set up and political environment. There was a need to therefore understand these factors while trying to improve the way an organization performs. Any changes in this environment can lead to significant changes in the organization's operations which can then affect its performance. Public procurement is at the centre of these external factors. At the county level for instance, the procurement process was affected by economic situations, culture, technological change, legal set up and political environment. The political environment was the main factor here since government operations were closely related to politics and hence the support of the top leadership such as county governor played a huge role in setting the tone for a successful procurement process.

## Conceptual Framework

The study investigated whether top management support influence procurement performance. Figure 1 indicates the relationship between the variables.

### Independent variable

### Dependent Variable



**Figure 1 Conceptual Framework**

## Empirical Review

Musau (2015) established the environmental factors affecting procurement performance in county governments. The study focused on a case study of Uasin Gishu County in Kenya. A descriptive survey was adopted and data was collected through questionnaires. The study showed that other than the economic, and legal environment, the political environment was also an important factor which determined how procurement was conducted in the county governments.

Raslan and Kapogiannis (2018) interrogated whether the integrated collaborative environment affected procurement performance in Saudi Arabia. Collaborative environment included the collaborations between the top management and the subordinates. It was demonstrated that such an arrangement was not exhaustively important but it was critical in ensuring effectiveness in procurement.

A study was conducted by Ashley *et* Kakwezi and Nyeko (2019) to establish success factors for implementation of projects, strategies and programmes in the public sector. Among the key study findings was that political intervention is critical. It was the main issue surrounding successful implementation of plans and projects in the public sector. In another study, (Srivastava and Agrahari (2017) sought to establish the critical success factors for effective procurement performance in the public sector. The study posited that political factors cannot be left out since the whole process is centred on politics.

In another study, Abdumlingo and Mugambi (2014) focused on establishing the challenges in management of devolved funds in the delivery of services in county governments with a focus on Mombasa County. The study findings pointed towards political factors ranging from corruption, policies, transparency and accountability as the main determinants of success in management of the devolved funds.

## METHODOLOGY

The study used descriptive research design. According to Garg and Kothari (2014), a descriptive research design entails collection of data which is then descriptively analyzed to explain a research phenomenon. The study focused on the Kisii County government. The target population was 107 employees in the departments of procurement activities that is the IT department, the Accounts and Finance department as well as the Procurement and Logistics department.

The study adopted a census whereby all the 107 units of observation were considered (Zhang, 2009). Blumberg, Cooper and Schindler (2014) argue out that a census approach can be adopted for a population less than 200. A census was most suitable for the study so as to enhance the opinion from the respondents. Furthermore, it also reduced bias.

The study's data was gathered using a structured questionnaire designed to obtain quantitative data. The study used two methods to analyze the quantitative data. Quantitative analysis methods through SPSS version 22 were conducted. Both descriptive and inferential statistics

were also conducted. Mean and frequencies as well as percentages were used to describe the population. Correlation and regression was used to establish a relationship between the variables.

## FINDINGS AND DISCUSSION

### Descriptive Statistics of Procurement Performance

Table 1 presents the descriptive statistics of the responses on procurement performance.

**Table 1: Descriptive statistics of the responses on procurement performance**

Statement	SD	D	N	A	SA	Mean	SD
There has been a reduction in procurement costs	16.7%	61.1%	-	20%	2.2%	2.42	1.36
There has been an improvement in quality sourcing	22.2%	56.1%	12.3%	3.4%	6%	3.15	0.79
There has been a reduction in time taken in procurement activities	3.1%	42.2%	16.3%	34.2%	4.2%	3.52	1.21
There has been a reduction in procurement malpractices	5.3%	68.3%	14.2%	6.2%	6.0%	2.61	1.26
There has been a reduction in the number of complaints from the public regarding procurement issues	13.4%	22.1%	2.2%	58.3%	4.0%	3.71	1.86

*Note.* **SD**- Strongly Disagree, **D**-Disagree, **N**-Neutral, **A**-Agree, **SA**-Strongly Agree.

The researcher sought to establish whether there has been a reduction in procurement costs. The results indicated that the most of the participants (61.1%) disagreed whereas 16.7% strongly disagreed. Nonetheless, 20% of the respondents agreed while 2.2% strongly agreed that there has been a reduction in procurement costs. The mean score and standard deviation were 2.42 and 1.36 respectively. Based on the findings, generally there was no reduction on the procurement cost in the county.

Concerning whether there has been an improvement in quality sourcing, the study yielded findings indicating that the majority of the participants 56.1% disagreed and 22.2% strongly disagreed. Nevertheless, 12.3% of the respondents were undecided while 3.4% agreed and 6% strongly agreed. The mean score was 3.15 ( $SD = 0.79$ ). The findings imply that there has not been any improvement in the quality of sourcing in the county.

The participants also provided their responses on whether there has been a reduction in time taken in procurement. The findings showed that 34.2% agreed and 4.2% strongly agreed that there has been a reduction in time taken in procurement. However, 42.2% disagreed, 3.1% strongly disagreed and 16.3% were undecided. Based on the findings, the respondents were not sure whether there was a reduction in time taken in procurement.

The question concerning whether there has been a reduction in procurement malpractices, yielded results revealing that 6.2% agreed and 6% strongly agreed. Nonetheless, some of the participants 68.3% disagreed and 5.3% strongly disagreed. Only 14.2% of the participants were undecided. The mean and the standard deviation of the scores were 2.61 and 1.26 respectively. The results of the study reveal that the most of the participants agreed that there is no reduction in procurement malpractices in the county. Regarding whether there has been a decrease on the number of complaints on procurement services from the public, the results revealed that 13.4% of the respondents strongly disagreed and 22.1% disagreed. However, most of the respondent 58.3% agreed, 4.0% strongly agreed and 2.2 were undecided. The mean score was 3.71 ( $SD = 0.79$ ). Generally, the findings suggest that there has been a reduction of complaints from the public regarding the procurement board.

## Influence of Top Management Support on Procurement Performance

### Descriptive Statistics of the responses on Management Support

Table 2 presents the descriptive statistics of the responses on management support.

**Table 2: Description of Responses on Top Management Support**

Statement	SD	D	N	A	SA	Mean	SD
The top management in the county offers financial support to procurement activities	10%	4%	10%	7%	69%	4.3	1.3
There is political goodwill in the county operations	6.7%	70%	20%	3.3%	-	2.4	1.2
In adhering to procurement regulations, the county leadership leads by example	16%	68%	8%	5%	3%	2.3	1.3
In punishing those who break procurement regulations, the county leadership leads by example	12%	56%	22%	7%	3%	2.1	1.1
The top management in the county comes up with supportive policies regarding procurement	3.4%	20%	68.9%	5.7%	2%	3.3	1.4

*Note.* **SD**- Strongly Disagree, **D**-Disagree, **N**-Neutral, **A**-Agree, **SA**-Strongly Agree.

In the first question, the study sought to establish whether the top management in the county offers financial support to procurement activities. The findings indicated that 4% of the participants disagreed and 10% strongly disagreed that top management offered financial support. The findings also indicated that 69% strongly agreed, 7% agreed while 10% were undecided. The mean score was 4.3 with a standard deviation of 1.3. Based on the outcome, majority of the participants supported that the top management offered financial support to the procurement's functions.

The question regarding whether there is political goodwill in the county operations yielded findings indicating that most of the participants representing 70% disagreed and 6.7% strongly disagreed. The results also revealed that 20% were neutral while 2.4% of the participants disagreed. The mean score and the standard deviation were 2.4 and 1.2 respectively. Generally, the results showed that there is no political good will in the procurement operations in the county. Concerning whether the county leadership leads by example in adhering to procurement regulation, most of the participants (68%) disagreed and 16% strongly disagreed. However, 5% agreed whereas 3% strongly agreed. Only 8% of the participants were undecided. The mean score was 2.3 ( $SD = 1.3$ ). According to the findings, the county leadership does not lead by example in adhering to set regulations. The researcher also probed whether the county leadership leads by example in punishing those who break procurement regulations. The findings showed that majority of the participants (56%) disagreed whereas 12% strongly disagreed. Nonetheless, 22% of the respondents were undecided, 7% agreed and 3% strongly agreed. The mean score was 2.1 with a standard deviation of 1.1. Generally, the outcome showed that leadership is not leading by example in disciplining those who break procurement law. With regard to the question on whether the top management in the county comes up with supportive policies regarding procurement, the results obtained showed that 20% disagreed, 3.4% strongly disagreed while 68.9% of the participants were undecided. The findings also indicated that 2% agreed whereas 3.3% of the respondent strongly agreed. The mean score and standard deviation was 3.3 and 1.4 respectively. The findings revealed that most of the participants were uncertain on whether the top management comes up with supportive policies on procurement.

### Hypothesis Testing

The researcher tested the following null hypothesis;

H<sub>01</sub> There is no significant Influence of institutional framework on procurement performance in County Governments in Kenya.

The hypothesis was tested using Pearson correlation and the results are presented in Table 3.

**Table 3: Correlation Results**

		Procurement performance
Top Management Support	Pearson Correlation	.87**
	Sig. (2-tailed)	.00
	N	90

Table 3 indicate that, top management and procurement performance are positively correlated,  $r(90) = .87, p=.00$ . The result also shows that the correlation between top management support and procurement performance was statistically significant. Therefore, based on the study findings the null hypothesis was rejected and alternative hypothesis which stated that there exists a significant influence of top management support on procurement performance in county governments was adopted.

### Discussion of the Results

The findings of the study indicate that there was a significant and positive correlation between top management support and procurement performance. These results are consistent with the findings from past research work conducted in this area. A research study by Hamza et al. (2018) focused on examining the moderating effect of top management on cloud-enabled technology integration on supply-chain operations in public corporation in US. The findings revealed that top management support of procurement processes moderated the relationship between staff, supplier and internal functions of the supply-chain performance. The findings also revealed that the cloud-based processes had positive impact on supply chain management. The Nortel network external environment theory argues that changes in the procurement environment can result into significant improvements in the procurement function and thus influence its performance positively. Therefore, in line with this study the poor performance in procurement in county governments can be linked to lack of financial support and policies that enhance their procurement operations. Milanzi and Bond-Barnard (2017) reported similar findings from an investigation on the impact of procurement central management in South African mining operations. The study findings established that management team is critical in any organization as it significantly influences procurement performance. Procurement management plays important roles such as financial planning, monitoring, decision-making and financial control which impact on the performance of the procurement and organization overall success. According to the Nortel network external environment theory, an organization's management is the central point from where operations success can be enhanced. At the county level for instance, the procurement process impacts on the overall performance of the organization. In this regard, the Kisii county inadequate top management support in terms of finances and policies can be linked to the low performance in the procurement processes. In another study, Sindiga (2019) examined the effects of procurement management functions on performance of construction firms in Nairobi. The findings indicated that management has a positive and significant effect on the firms' performance. The research also reported that management support on automation of the procurement inventory processes increased its efficiency and performance while providing the management with information to enhance their operations to minimize error and enhance sustainable performance. This is consistent with the Nortel network external environment theory which emphasize on the need to understand the procurement environment and making effort to improve the way an organization performs through adoption of new technologies.

The problem of poor performance in Kisii procurement can be linked to lack of promotion and compliance to the stated procurement regulation and the minimal attention given to performance improvement by the management. Similar findings were also reported by Ndung'u, Were and Mwangangi (2020) who explored the effects of top management support on the compliance level of the procurement to the regulatory requirements in public universities. The findings revealed that top management significantly influenced the procurement regulatory compliance level. The study also reported that motivation of employees can be used as an approach to combating personal interest in their line of duty. According to the institutional theory that anchored this study, organizational management must ensure that there is optimal staff compliance to the set regulation if the organization goals are to be achieved. Therefore, the management acts as a benchmarking organ to the appropriate functioning of the procurement processes. In the case of Kisii county top management failure to lead by example, to discipline procurement regulation breakers and to provide sufficient support has resulted to the dwindling performance in procurement.

### **Conclusion**

There was a positive significant correlation between the top management support and procurement performance. The results suggest that an increase in top management support score results to a subsequent increase in procurement performance score and vice versa. In Kisii County Government, the top management support on procurement was low hence measures such as formulation of new policies, compliance and disciplinary should be adopted to enhance performance in procurement processes.

### **Recommendations**

More focus should be given to the management as the focal point in enhancing procurement performance. The management influences organization culture, institutional policies, employee's competency and professionalism. It is the central point and the study recommends its prioritization in efforts to improve performance in the procurement department.

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