



FACTORS AFFECTING PROCUREMENT PERFORMANCE OF STATE CORPORATIONS IN MOMBASA COUNTY

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ABSTRACT

The study sought to establish the factors affecting procurement performance in state corporations in Mombasa County. The study objectives were: to examine the effect of supplier relationship management on the procurement performance of state corporations in Kenya, to find out the effect of risk management on the procurement performance of state corporations in Kenya, to establish the effect of procurement ethics on the procurement performance of state corporations in Kenya and find out the effect of procurement leadership on the procurement performance of state corporations in Kenya. The study was anchored on various theories namely, the agency theory, the institutional theory, the four pillars theory and the public value theory. The study adopted a research design descriptive of the survey. The study targeted 5 employees per company with the 34 state-owned companies operating in Mombasa County, namely Procurement Managers, Procurement Officers, Record Officers, Suppliers and Junior Procurement staff. This gave 170 respondents. Using Slovenes formula, the sample size was approximated to the 63 respondents. The study targeted a sample of 63 respondents. The response rate was considered good and deemed fit for the study. The mean and standard deviation for the study variables was calculated based on the responses from the questionnaires. Regression and correlation analysis were done using SPSS. The overall mean was calculated by getting the average of the means. The study variables were supplier relationship management, risk management, procurement ethics, procurement leadership and procurement performance. Supplier relationships management was found to correlate positively with procurement performance and significant. Increase in supplier relationship management leads to increase in procurement performance. Risk Management correlated positively with procurement performance and significantly. Increase in risk management leads to an increase in procurement performance. Procurement ethics was found to correlate positively with procurement performance and significant. This implies increase in procurement ethics leads to an increase in procurement performance. Procurement Leadership was found to correlate positively with project performance and significant. This implies that increase in procurement leadership leads to increase in procurement performance. This study was based in Mombasa County, it will be prudent to replicate the study in other counties too and compare with the findings. This will enable contribution to the body of knowledge on procurement performance of state corporations.

Key words: Supplier Relationship Management, Risk Management, Procurement Ethics, Procurement Leadership, Procurement Performance

1.0 BACKGROUND OF THE STUDY

Public procurement is defined as the performance for the public service to acquire goods, services, works and other supplies, usually through a contractual arrangement after public competition. The performance extends the entire life cycle from the initial conception and definition of public service needs to the end of an asset's useful life. Alternatively, public procurement can be defined as the purchase of commodities and service contracting if such an acquisition is affected by state budget resources, local authority budgets, state foundation funds, domestic loans or state-guaranteed foreign loans (Taplin, 2012). Public procurement therefore means the procurement of public funds by the procurement entity. Public procurement items range from simple items or services such as clips or cleaning services to large commercial projects such as infrastructure development, including roads, power stations and airports. It may also be the acquisition of works, supplies and services by public bodies, whether under formal contract or not. According to Ronnback (2012), procurement includes the entire property and acquisition performance.

It usually begins when an organization identifies a need and decides on its priorities for procurement. It goes through risk assessment performances, seeking and evaluating alternative solutions, awarding contracts, delivering and paying for the property and/or services and, where appropriate, ongoing contract management and consideration of contract-related options. At the end of its useful life, procurement also extends to the ultimate disposal of property (Mahmood, 2010).

Overall, the public sector procurement performance has been attracting great attention from practitioners, academics and researchers for decades now because of its poor performance in state-owned corporations (KPPRA, 2013). In many countries, this has led to the adoption of e-procurement systems which have rapidly increased since 1990s; yet public entities still face hindrances associated with its advent and use especially in the developing countries (Champux, 2011). OECD (2013) analysis showed that about 30% of the companies surveyed in the United States of America use e-procurement systems for quotation requests (RFQ), online auctions and e-markets to improve supply chain performance.

Consistent with Basheka and Bisangabasaija (2010) within the growing nations, public procurement is increasingly identified as vital in-service shipping, and it bills for a high share of general expenditure in the developing countries. For example, public procurement bills for 60% in Kenya, 58% in Angola, 40% in Malawi and 70% of Uganda's public spending (Basheka & Bisangabasaija, 2010). These consequences that it is extremely high whilst in comparison with a global average of 12- 20 % (Frøystad *et al.*, 2010). As the tremendous amount of money involved in authorities' procurement technique and such cash comes from the public, there may be want for responsibility and transparency of the procurement procedure in the public entities (Hui *et al.*, 2011).

In Kenya, public procurement includes the performance of acquiring goods, works and services regarding the use of public money to accomplish distinct public functions, beginning with the identification of a need and ending with finishing touch of the agreement. PPDA of 2015 and law of 2006 were enacted to introduce approaches for efficient public procurement, with the targets of maximizing financial system and performance, promote competition, promote integrity and equity of procurement procedures, to beautify transparency and accountability, to repair public

confidence in procurement performance and to facilitate the promotion of nearby industries and financial development (PPOA, 2015). This has had a wonderful effect on the economic system, social, political, and legal surroundings (Kagendo, 2012). Public entities are the primary purchasers of products, works and services in a rustic therefore influence the dimensions, structure, and performances of home industries. To this quit, it is far important for the authorities from time to time to review the effectiveness and performance of its procurement machine. in step with Kagendo (2012) emergence of world economic system, accelerated decentralization of government function, extra discretions electricity officials and weak point of the modern-day procurement system have led to need of regulating procurement in new methods, as a result need for reforms to resolve those rising demanding situations in the public procurement. achievement of public procurement device reforms relies upon on a clean articulation and understanding of what the legal and regulatory framework seeks to gain.

Good practice and business efficacy require the buyer to find a supplier that will be both reliable and deliver good value-for-money products or services when seeking outsourcing for goods and services (Okoye & Nwadihoha, 2017). Good value for money not only means the cheapest, but also includes a variety of other factors such as quality, adherence to tendering criteria, and after-sales service.

Patrick, Mamati, and Jonathan (2010) note that public procurement is accountable to the general public whose cash is spent, including disillusioned tenderers and providers of capacity. As such, they need to produce tactics and practices on the way to getting up to scrutiny in both authorities ' audits or tasks at some stage through the courts of any un procedurally made shopping choice. The number one motive of public responsibility is to save you abuses of taxpayer's cash.

The general public procurement system in Kenya since 1978 has developed from a crude system and not using policies to an orderly legally regulated procurement system presently in use. but, normally, the procurement system is complicated with disputable settlement mechanisms referring to soft awards procedures, unfairness, and shortage of transparency. Several institutions, including public universities, relish pre-qualification difficulties at some stage, staging aggressive procurement methods, storage substances, donning 1st-class guarantees, customs clearing, over- and under-invoicing of imports and nearby procurement and the availability of adequate budgets equivalent to sources supplied for enforcement of the Act (Kimaiyo, 2012).Furthermore, there may be evidence of malpractice that as an example influences the procurement of the public quarter, vehicle restoration files are no longer regularly used. Invoices, receipts, and other files are faked all that often. Other challenging situations include insufficient trained staff in the procurement department, terrible awareness, or training of smooth contributors to the committee, resistance to exchange with PPDA implementers, resistance to exchange through existing providers, impact on external stakeholders and organizational scale.

These factors are faced, given that economic results must be measured against more complex and long-term criteria. Other concerns involve accountability, un-discrimination among potential suppliers and fulfillment of international obligations. Public procurement is a commercial performance within a political structure, unlike personal procurement, and therefore has considerable consideration of integrity, accountability, national interest, and effectiveness (Chesang, 2013).

These demanding situations are confronted with consideration in thoughts that the monetary effects need to be measured in opposition to more complex and lengthy-term standards. Furthermore, other considerations encompass accountability, non-discrimination among potential suppliers and appreciate for global obligations. In contrast to personal procurement, public procurement is a commercial enterprise system inside a political machine and has consequently sizable attention of integrity, duty, national interest, and effectiveness (Chesang, 2013).

2.0 STATEMENT OF THE PROBLEM

As a result of joint efforts with various development partners such as the World Bank, the International Trade Center, and the World Trade Organization (WTO), procurement reforms are being implemented in Kenya. However, most developing countries face a problem of rapidly changing requirements for public procurement (Chesang, 2013). The changes have an impact on how the procurement function fulfills its internal and external mandate, performances, and procedures to achieve its goals. Interactions between different elements, professionalism, levels of staff and budget resources, centralized or decentralized procurement organizational structure, procurement regulations, rules and guidance and internal control policies all need attention and influence the performance of the procurement function. Additionally, the factors posed by a variety of environmental factors (external factors) such as market, legal environment, political environment, organizational and socio-economic environmental factors (Musanzikwa, 2013) face public procurement.

In spite of government-driven efforts to reform procurement systems, there are still problems attributable to massive losses of Kshs30 billion in unsuitable procurement and public procurement requires a tight or water-proof system to be followed and adopted (Kamau, 2012). Market dynamics have created factors for many public organizations, and some of the key factors affecting public organizations include the emergence of technological advances in the global economy, increased societal demands, pressure group organizational scrutiny and, more importantly, increased media attention that is critical of government inefficiencies in service delivery (Kimaiyo, 2012).

Funding availability is a challenge facing the procurement performance in Kenya's parastatals. The procurement performance cannot proceed smoothly without funds. There is a procedure to follow in a procurement performance and these are the guidelines in procurement regulations. If the set regulations are not adhered to due to lack of funds, it becomes the organization's challenge (Muli, 2017). Things like tender advertising need money and the organization will find it difficult to operate smoothly and fairly without money. Insufficient operating funds affect the procurement performance in government institutions because most government institutions projects are funded by donors and the rest come from government, which is not enough in most cases. Material price is a challenge facing the parastatals procurement performance (Muli, 2017). Locally conducted studies, Chesang (2013) found that public universities face some procurement factors, including failure of suppliers to meet their requirements, failure of suppliers to produce consistent quality materials, lack of long-term supplier relationships, and failure to include purchasing in the strategic planning performance. Gathua (2015) found that the University of Nairobi's Practice of Public Procurement Performance has been consolidated and structures are in place to support the public procurement system, but they face factors. While the above studies deal with the performance of public procurement, few studies have dealt directly with the

performance of public procurement in Kenya's state-owned corporations. This study is therefore seeking to fill this gap.

3.0 RESEARCH OBJECTIVES

3.1 General Objective

The purpose of this study is to examine the factors affecting procurement performance in state corporations in Mombasa County.

3.2 Specific Objectives

1. To examine the effect of supplier relationship management on the procurement performance of state corporations in Kenya.
2. To find out the effect of risk management on the procurement performance of state corporations in Kenya.
3. To establish the effect of procurement ethics on the procurement performance of state corporations in Kenya.
4. To find out the effect of procurement leadership on the procurement performance of state corporations in Kenya.

4.0 RESEARCH HYPOTHESES

H₀₁: Supplier relationship management has no significant effect on procurement performance of state corporations in Mombasa County.

H₀₂: Risk management has no significant effect on procurement performance of state corporations in Mombasa County.

H₀₃: Procurement Ethics has no significant effect on procurement performance of state corporations in Mombasa County.

H₀₄: Procurement Leadership has no significant effect on procurement performance of state corporations in Mombasa County.

5.0 LITERATURE REVIEW

5.1 Theoretical Review

Here, various theories are covered. These are in line with the study objectives.

5.1.1 Agency Theory

According to Jensen and Meckling in 1976, an agency relationship is ' a contract under which one or more persons (principals) engage another person (the agent) to perform a service on their behalf involving the delegation of a decision-making authority to the agent.'(Graeme, 2014) When performing the tasks in the relationship between the principal agent and the agent, the agent must select actions that are consequential. Because these results can be either negative or positive for each of the actors, the agent's chosen action affects both's welfare. The relationship between the principal agent is often forged because the agent has a greater abundance of skills, skills and/or time required to perform the desired activities. Inevitably, however, the principal has several problems in managing the relationship with the agent, the first involving the selection of a suitable agent (Chrisidu-Buznik & Prezedanska, 2017).

Public procurement is a legal instrument as well as an economic one. The awarding entity's decisions determine the contractors' behavior and the effects of fulfilling the contract as early as at the beginning of the public contract award performance (Graeme, 2014). Analyzing the mechanisms on which the relationships between entities are based in the system of public procurement makes it possible to capture a certain specific feature. The classic theory of the mainstream agency assumes the principal must rely on the contractor's actions. It is particularly important from the point of view of the efficacy of public procurement that the contractor (agent) must first rely on the actions of the awarding entity (principal), namely its substantive qualifications (Hounaida, 2015). The suppliers are the agents and the principal are the state corporations; this defines the study's variable supplier relationship. On procurement leadership, the actions of the principal (state corporations) in providing suppliers with procurement functions require proper leadership to enable the right suppliers to be found.

5.1.2 Institutional Theory

Organizations' institutional theory places institutions at the heart of the organization's design and perform assessment. Organizations are local instantiations of broader institutions from this point of perspective. Institutions, understood as convictions, laws, and norms taken for granted, shape organisational forms, design characteristics, and procedures to be created and spread. Compliance with institutionalized prescriptions is regarded a way to gain legitimacy, reduces uncertainty, and improves the intelligibility of the actions and activities of the organization. (Farazmand, 2016). Institutions consist of cultural-cognitive and regulatory elements that bring significance to life in conjunction with related operations and resources. It describes three institutional pillars as cognitive regulatory, normative, and cultural. The regulatory pillar highlights the use of expedience as a compliance grounds. The normative pillar relates to the standards or the manner in which things are accomplished in all organizations and values. (Muturi & Abere, 2015)

Public procurement in Kenya is guided by the 2015 PPDA Act. The Act sets out the PPOA's laws and guidelines. Institutions like Kenya National Audit and Public Procurement Regulatory Authority are promoting compliance with procurement laws like AGPO. These institutions are set up under Chapter six of the 2010 Republic of Kenya Constitution. They are seen as watchdogs keeping government in check and transforming society, thereby safeguarding our constitutional democracy. Institutional theory claims that if organisations complied with the public procurement laws, competition in offers, transparent procedures and professional attitude in the procurement process would be guaranteed (Mwangi, 2017). In this study, supplier relationship management, risk management, procurement ethics and procurement leadership are all anchored on the institutional theory. Due to the nature of the variables, they require a public institution that adheres to the set public procurement guidance.

5.1.3 The Four Pillars Theory

This theory was developed as a model by the World Bank, the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) and a number of developing countries to evaluate the quality and effectiveness of national public procurement systems (OECD, 2005). The four pillars are: Integrity and transparency of the legislative and regulatory framework, capacity management and institutional management, procurement and practices.

The legislative and regulatory framework pillar for more detailed operational procedures, guidelines, tender documents and standard contract terms is based on the existence, availability, quality and use of the highest-level legal and regulatory framework (Act and Regulations) (PPRA, 2007).

The integrity and transparency pillar is based on the PP system, which relies on a number of control mechanisms, including an effective control and audit system, an effective appeal mechanism, a comprehensive information sharing system that allows social audits to be carried out by civil society and stakeholders, and effective ethics and anti-corruption actions. Without such control mechanisms, failures in the procurement system can not be detected and addressed (PPOA, 2010). This framework was important for explaining the regulatory framework for Kenya and the procurement system in the procurement performance. Comprehensive information sharing risk will make it easier to manage as it is easy to identify. This relates to the risk management variable.

Pillar of operations and practices in procurement. Governments should disclose key terms of major contracts to civil society organizations, the media, and broader public information. Reports from supervisory institutions should also be made widely available in order to enhance public scrutiny. In addition to these traditional accountability mechanisms, governments should consider involving representatives of civil society and the wider public in monitoring high-value or complex procurement that poses significant risks of corruption and mismanagement (OECD, 2009). This theory is related to the variable ethics of procurement by disclosing major contracts to the media and the wider public, as public corporations will only have to be ethical in their scrutinized operations.

5.1.4 Public Value Theory

Moore's Theory of Public Value was formulated in 1995 to give managers in the public sector a better understanding of the constraints and opportunities within which they operate and the challenge of generating publicly valuable results. Schequa and Alexandru (2012) argue that the theory of public value envisages the purpose of a manager to go beyond policy implementation and compliance with institutional standards. It includes searching for opportunities to improve the lives of the public significantly.

It is also noted that the theory of public value articulates a more proactive and strategic role for managers in the public sector who seek to discover, define and generate public value rather than merely devising means to achieve mandated purposes. So, instead of purchasing at the lowest price, a customer in the public sector might decide to spend more on achieving better results for the whole government (Staples, 2010). Public or state-owned companies in Mombasa County are involved in procurement in one way or another, and their transactions must be sanctioned by managers of the public sector and put to public scrutiny. This theory was considered relevant for this study with this backdrop. It is linked to the study's variables in procurement ethics and leadership in procurement.

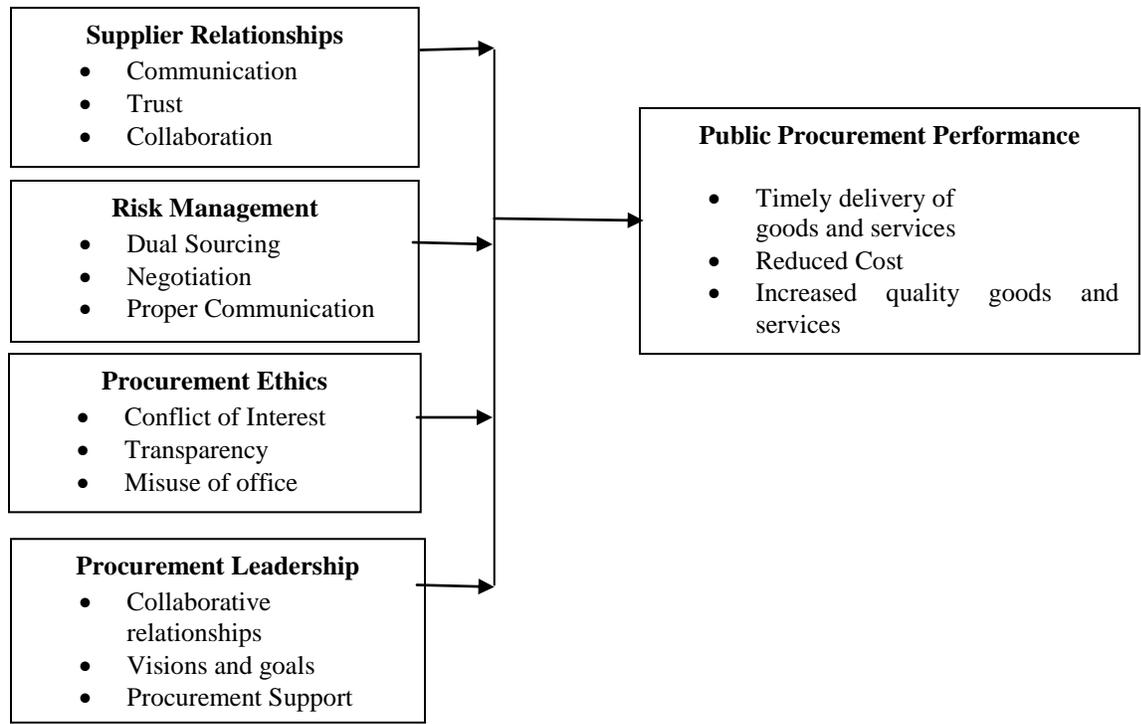
5.1.5 Scientific Management Theory

To investigate the effect of Employee Training on procurement performance, the study will be based on scientific management theory. The theory basically consists of the works of Fredrick Taylor. Fredrick Taylor started the era of modern management in the late nineteenth and early

twentieth centuries; Taylor consistently sought to overthrow management by rule of thumb and replace it with actual timed observations leading to the one best practice Watson (2018). He advocated for the systematic training of workers in the one best practice rather than allowing them personal discretion in their tasks. He further believed that the workload would be evenly distributed between the workers and management with management performing the science and instruction and the workers performing the labor, each group doing the work for which it was best suited. Taylors strongest positive legacy was the concept of breaking a complex task down into a number of subtasks, and optimizing the performance of the subtasks, hence, his stopwatch measured time trials (Osborne & Rubinstein, 2019).

As a result, he proposed four underlying principles of efficiency Firstly, there is need to develop a science of work to replace old rule of thumb methods, pay and other rewards linked to achievement of optimum goals, measures of work performance and output. Failure to achieve these would in contrast result in loss of earnings. Second is that workers should be scientifically selected and developed; Training each to be first class at some specific task (Watson, 2018). Thirdly, the science of work to be brought together with scientifically selected and trained people to achieve the best results. Finally, work and responsibility to be divided equally between workers and management cooperating together in close interdependence. According to Watson (2018) scientific management is essential for effective procurement management as it aims to improved methods of storage and distribution and removal of wastage and in performance in undertaking storage activities. This is especially relevant in the public sector where there is constant demand for uniformity of treatment, regularity of procedures and public accountability for operations.

6.0 Conceptual Framework



Independent Variables

Dependent Variable

Figure 1 Conceptual Framework

7.0 Review of Literature on Variables

7.1 Effect of Supplier Relationship on the Procurement Performance

It is noted that trust, commitment, communication and mutual goals are vital elements that create effective supplier relationships. These elements have a positive effect on the performance of the organization. They not only improve efficiency and cost reduction through collaborative commitments with suppliers, but also reinforce the involvement of the supplier in the organization's overall strategy (Wangeeci, 2013).

Wangeeci (2013) conducted a study in the alcoholic beverage industry in Kenya on supplier relationship management and supply chain performance. The study's specific goals were to determine the extent of SRM in the alcoholic beverage industry; to determine the impact of SRM on the performance of the supply chain in the alcoholic beverage industry in Kenya and to identify the factors facing the implementation of SRM in the alcoholic beverage industry in Kenya. In order to describe the impact of SRM on organizational performance, the study adopted descriptive design. The target population and sample was from the alcoholic beverage industry procurement staff. To determine the relationships between the variables, the regression analysis was used. The study concluded that alcohol beverage companies are moving towards collaborative relationships with their suppliers in order to improve their performance in the supply chain. That SRM depends largely on four main aspects.

In his study, Mwirigi (2011) sought to identify the role of supply chain relationships in Kenya's small business growth. The study's target population was small businesses that are FAULU Kenya loan clients. The study examined various relationships to understand the role of supply chain relationships among respondent firms. Research found that relationships with the supply chain play a critical role in small business growth. They contribute in many ways to these firms' growth and profitability. Findings from this study indicated that, on the one hand, a strong sustainable relationship between a company and its customers and, on the other, its suppliers has a bearing on the speed of transaction growth and profitability. The study concluded that the performance of establishing supply chain relationships needs to be approached in a more structured manner in order to enhance its role in small business growth.

Tangus (2015) studied the effect on manufacturing companies in Kisumu County, Kenya of supplier relationship management practices on performance. Her study found confidence to be a critical factor in promoting engagement among supply chain partners. She also discovered that the presence of trust significantly improves the chance of successful performance in the supply chain. Failure to trust supply chain partners often leads to inefficient and ineffective performance as transaction costs (their trading partners' verification, inspections and certifications) rise. Although a relationship between trust and commitment was frequently mentioned in the literature, in the supply context there was a lack of empirical testing of such relationship. The study attempted to fill the gap between the theoretical and empirical testing arguments. Results from a comprehensive survey of supply chain practitioners indicated that a company's confidence in its supply chain partner is highly associated with (positive) and (negative) behavioral uncertainty on both sides' specific asset investments.

7.2 Effect of Risk Management on the Procurement Performance

A high-performance risk-aware procurement performance provides the competitive advantage bonus, enabling the occurrence of unexpected events to capitalize rather than suffer (Russill, 2008). Supply chain management is one of an organization's most strategic functions that can be exploited to gain a marketplace sustainable competitive advantage. The technology and business revolutions have also brought about a revolution in organizations' supply chain management world (Gichuhi, 2011).

In order to gain a sustainable competitive advantage in the marketplace, it is now important for companies to search for new business paradigms. Various examples are available, such as Total Quality Management (TQM), Constraint Theory (TOC), supply chain management practices adopted by corporations to cut costs, increase performance, and beat competition. Information is now a competitive advantage for corporations on the marketplace as well as a "challenge" (Gichuhi, 2011). Information has enabled companies to reengineer marketplace activities and practices to be competitive. The above revolutions have resulted in improved supply chain performance. The supply chain consists of all performancees involving companies directly or indirectly in providing solutions to customer issues. An organization's supply chain includes manufacturers, suppliers, and channel brokers such as wholesalers / retailers (Awad & Nassar, 2010).

Russill (2008) also provides a short guide to risk management of procurement since procurement is not treated as a strategic tool in most organizations to help organizations gain competitive advantage. He explains that most businesses are so focused on managing the people and assets that are employed in the business and satisfying their customers that they fail to realize what is happening in their supply markets. Management of procurement risk provides the organization with the ability to capitalize on the occurrence of unexpected events rather than suffer.

Finally, by integrating procurement risk management into their activities, procurement professionals and practitioners will be better positioned to engage with top management on the strategic agenda and corporate governance of their organizations (CIPS, 2013). While procurement risk management's alleged objective is to derive a competitive advantage, it is not clear whether firms' procurement risk management practices are always strategically aligned with their overall competitive strategy. The level of supply chain performance in a company has also been found to be positively and significantly associated with the business performance of the company.

7.3 Effect of Procurement Ethics on the Procurement Performance

Ethics is the moral principles and values that guide officials in all aspects of their work, according to Wee (2012). The concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency are involved in ethical behavior. Ethical behaviors also include avoiding conflicts of interest and not misusing the position of an individual. The Kenya Contract Monitoring Network (CMKN) (2012) cited unethical practices as a major factor contributing to procurement inefficiencies in major public institutions in Kenya in return for squandering public funds by fraud, favoritism, and extravagance. This was revealed in a CMKN report called Reforming Public Contracting: Giving value for money to Kenyans that said there were rampant unethical public procurement practices. Gikonyo (2010) states that a series of financial

arrangements are at the heart of great corruption in Kenya, which together constitute a system of security-related procurement, commercial debt procurement and political system financing.

According to Mathenge (2012), the current management of Kenya's procurement is ethically deficient and should use ethical consideration to reinvent itself. Gikonyo (2010) notes that the most persistent barrier to the fight against corruption is the culture of public procurement secrecy and related functions of government. Unethical behavior in public procurement, including conflict of interest and corruption, is a problem as relationships within the purchasing department, relationships with other departments within the company, and suppliers can be damaged.

Unethical practices gnaw away the resources of Africa and undermine development, according to the World Bank (2010). According to a study conducted by Organization for Economic Cooperation and Development (2010), collusion and corruption are separate issues in public procurement and result from unethical practices such as conflicts of interest. They are best viewed, therefore, as concomitant threats to the integrity of public procurement. Therefore, they are best viewed as concurrent threats to public procurement integrity. Unethical procurement practices take away the economic benefits of their taxes and natural resources from citizens as well as private entities (Transparency International, 2010). There are no studies in the Kenyan Public Parastatals on how ethics affects the procurement performance, a gap that this study will bridge.

7.4 Effect of Procurement Leadership on the Procurement Performance

According to Chari et al. (2016), leadership and management support have an impact on all aspects of procurement performance ranging from setting up new systems, green procurement and enhancing transparency levels. Also responsible for the failure of many procurement initiatives was the lack of leadership and management support. Support for research management is important because funding for specific procurement initiatives is approved by the top management. Furthermore, the management is solely responsible for rallying employees behind any procurement that leads to their eventual success. Kemunto & Ngugi (2014) shares the above sentiments, whose research has shown that support for leadership and management plays a critical role in improving organizational performance. In particular, leadership and management support collaborative relationships between a company and its suppliers, facilitating transparent negotiations and also long-term relationships that eventually leads to high-quality inputs being procured at affordable prices. This improves the performance of the organization.

Support for leadership and management plays an especially important role in improving organizational performance in procurement. Procurement involves the flow of goods, services and work across supply chains involving many companies. Consequently, the success of the procurement of an organization is highly dependent on the ability of the company to support the procurement function and maintain good relationships with other companies that are part of the supply chain network (Oyuke and Shale, 2014). Kemunto and Ngugi (2014) also believe that top leadership and support for management play a major role in ensuring the highest level of procurement performance. The role of management in procurement is to develop policies that guide the practice of internal procurement. Therefore, procurement as a function within an organization must be supported by top management to ensure that formulated policies seek to enhance the organization's performance rather than derail it. With regard to procurement

function, it can be noted from the above research studies that support for management plays a particularly important role in improving organizational performance.

8.0 RESEARCH METHODOLOGY

8.1 Research Design

This study adopted a descriptive research design. According to Mugenda and Mugenda (2012), descriptive research method is a data collection performance for testing hypothesis or answering questions about the current status of the study. This method of study determines and reports how things are, enabling individuals to give relevant personal opinions and attitudes. Orodho (2009) states that the research survey report deals with the distribution of incidence and the interrelation of educational variables and that the purpose is to describe the nature of the existing conditions and the relationship between specific events can be compared. A descriptive survey is also a way to gather information about a large group of people's characteristics, actions or opinions. Surveys can obtain information from large population samples (Mugenda, 2012). This design was appropriate as it provided information on attitudes that are difficult to measure using observational techniques. Using descriptive survey design allows the researcher to determine the relationships that exist between specific projects. Adek (2016) used this research design while studying determinants of successful infrastructure project implementation in devolved units; Mombasa County, Kenya case study.

8.2 Target Population

Kothari & Garg (2014) defines a population as all items under investigation in any area. This study targeted 5 employees per company with the 34 state-owned companies operating in Mombasa County, namely Procurement Managers, Procurement Officers, Record Officers, Suppliers and Junior Procurement staff. This gave 170 respondents. The same is shown in 1.

Table 1 Target Population

Position	Frequency
Procurement Managers	15
Procurement Officers	20
Records Officers	40
Suppliers	44
Junior Procurement Staff	51
Total	170

8.3 Sample of the Study

If an entire population cannot be studied but the population is known, a smaller sample was taken using a purposeful sampling technique. Slovin's formula allows a researcher to sample the population with a desired level of accuracy (Stephanie, 2013). The sample size is calculated using Slovin's formula. With respect to the level of precision, as suggested by Kothari & Garg (2014), a confidence level of 90 percent was used, which means that there are 90 chances in 100 (or.90 in 1) that the results of the sample represented the true condition of the population within a specified precision range compared to 5 chances in 100 (or.05 in 1) that they do not. The formula of the Slovin is calculated as follows;

$$n = N / (1 + Ne^2)$$

Where n=Total Sample

N= Population
e= Margin of error

This research's population size was 170. A 10 percent sampling error, was taken and the sample size was:

$$n = 170/1+170(0.10*0.10)$$

$$n = 170/ 1+170*0.01$$

$$n = 170/1+1.7$$

$$n = 170/2.7$$

$$n = 62.9$$

Therefore, the sample size was approximated to the 63 respondents.

Table 2 Sample Size

Position	Sample	Percentage
Procurement Managers	6	9.5%
Procurement Officers	7	11.1%
Records Officers	15	23.8%
Suppliers	16	25.4%
Junior Procurement Staff	19	30.2%
Total	63	100%

7.5 Data Analysis and Presentation

Accuracy, consistency and redundancy was checked for the data collected. Version 20 of SPSS was used for data analysis. SPSS is a Social Scientists Statistical Package, a software for data analysis to be used for this study. Tests of normality and multicollinearity was carried out. Regression analysis was useful in determining the relationship between the independent variables and the dependent variables. The variables ' relationship nature was determined through correlation analysis. Due to their ability to create a relative form to the otherwise abstract nature of the results, tables was be used in data presentation. Means, frequencies and percentages are calculated.

The model of regression would be

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2+ \beta_3x_3+ \beta_4x_4+ \varepsilon$$

Where

Y = Procurement Performance

x₁ = Supplier Relationships

x₂= Risk Management

x₃= Procurement Ethics

x₄= Procurement Leadership

β_0 =the constant term

$\beta_1; \beta_2; \beta_3; \beta_4$ = coefficients and ε = Stochastic term

8.0 DATA ANALYSIS RESULTS AND DISCUSSIONS

8.1 Descriptive Statistics

The mean and standard deviation for the study variables was calculated based on the responses from the questionnaires. The overall mean was calculated by getting the average of the means. The study variables were supplier relationship management, risk management, procurement ethics, procurement leadership and procurement performance.

8.1.1 Supplier Relationship Management

The respondents were asked on the level of agreement on various statements on supplier relationships management and how they affect procurement performance in the state corporations. They were asked to tick the appropriate box guided by a Likert scale where 1=Strong disagreement 2=Disagreement 3=Neutral, 4=Agreement and 5=Strong agreement. The mean and standard deviation was calculated from the responses and tabulated as shown in Table 4 below.

Table 4 Supplier Relationships Management

Supplier Relationships Management	Mean	Std. Deviation	N
There is mutual commitment between the suppliers and the state corporation in the business conducted	4.39	.638	38
The state corporation has trust in the suppliers partnered with	4.37	.589	38
Good supplier relationship has improved the performance of the state corporation	4.37	.714	38
There is effective communication between the suppliers and the state corporation	4.32	.739	38
The supplier relationships has yielded satisfaction and loyalty	3.82	.834	38
Overall Mean	4.25		

There is mutual commitment between the suppliers and the state corporation in the business conducted had the highest mean of 4.39 which implies the respondents agreed on this statement. The standard deviation of 0.589 was the second smallest implying that the responses were second nearest to the overall mean. The state corporation has trust in the suppliers partnered with had a mean of 4.37 which tied with good supplier relationship has improved the performance of the state corporation this implies that the respondents agreed with these statements. They had different standard deviations of 0.589 and 0.714, respectively.

There is effective communication between the suppliers and the state corporation had a mean of 4.32 which implies that there was an agreement by the respondents on this statement. The standard deviation of 0.739 was the second largest showing that the responses were highly varied. Lastly the supplier relationships has yielded satisfaction and loyalty had a mean of 3.82 which is near 4 implying that the respondents were in agreement on this statement but the responses were highly varied as shown by the largest standard deviation of 0.834. The overall mean of 4.25 showed that the respondents agreed that supplier relationship management was a factor affecting the procurement performance of state corporations in Kenya. This is in line with what Mwirigi (2011) and Wangeci (2013) found that supply chain relationships are a necessary component in the performance of the institutions their studies were based on.

8.1.2 Risk Management

The respondents were asked on the level of agreement on various statements on risk management and how it affects procurement performance in the state corporations. They were asked to tick the appropriate box guided by a Likert scale where 1=Strongly Disagree

2=Disagree 3=Neutral, 4=Agree and 5=Strongly Agree. The mean and standard deviation was calculated from the responses and tabulated in Table 5 below.

Table 5 Risk Management

Risk Management	Mean	Std. Deviation	N
To distribute risks, there is proper outsourcing of the procurement functions and performances in the state corporations	4.58	.500	38
To mitigate risk the state corporation conducts dual sourcing in the procurement performance	4.32	.739	38
There is a risk review performance, after implementation of the mitigation measures for identified procurement risk.	2.92	.912	38
There is proper communication on the risks involved in the procurement performance	2.34	.847	38
There is proper negotiation in the procurement performance to avoid risk	1.87	.875	38
Overall Mean	3.20		

To distribute risks, there is proper outsourcing of the procurement functions and performances in the state corporations had a mean of 4.58 which is near 5 implying that the respondents strongly agreed on this statement and the responses were nearly homogenous since they had the least standard deviation of 0.500. To mitigate risk the state corporation conducts dual sourcing in the procurement performance had a mean of 4.32 which is near 4 implying that the respondents agreed to this statement. The standard deviation was the second least implying that the responses were near the overall mean.

There is a risk review performance, after implementation of the mitigation measures for identified procurement risk had a mean of 2.92 which is near 3 which implies that the respondents were neutral on this statement. The standard deviation of 0.912 implies that the responses were highly varied. There is proper communication on the risks involved in the procurement performance had a mean of 2.34 which is near 2 implying the respondents disagreed on this statement showing there is no proper communication. The standard deviation of 0.847 was the third largest, third furthest from the mean. There is proper negotiation in the procurement performance to avoid risk had the least mean of 1.87 which is near 2 implying that the respondents disagreed on the statement about proper negotiation. The standard deviation of 0.875 were the second largest, second farthest from the mean. The overall mean of 3.20 implies that the respondents were neutral on risk management being factor affecting the procurement performance of state corporations in Kenya. It is asserted by Gichuhi (2011) that procurement risk management is a prerequisite towards building a competitive advantage in a company and hence affecting its performance positively.

8.1.3 Procurement Ethics

The respondents were also asked on the level of agreement on various statements on procurement ethics and how it affects procurement performance in the state corporations. They were asked to tick the appropriate box guided by a Likert scale where 1=Strongly Disagree 2=Disagree 3=Neutral, 4=Agree and 5=Strongly Agree. The mean and standard deviation was calculated from the responses and tabulated in Table 6 below.

Table 6 Procurement Ethics

Procurement Ethics	Mean	Std. Deviation	N
There is an ethical code of conduct in the state corporation which is adhered to	4.00	.771	38
The procurement process is fair and transparent	2.71	.802	38
Supplier contracts are awarded on merit devoid of expectations of kick backs	1.68	.702	38
There are measures to mitigate improper use of an employees work position to influence the procurement process	1.50	.688	38
There are mechanisms to weed out conflict of interest in the procurement process	1.47	1.006	38
Overall Mean	2.27		

There is an ethical code of conduct in the state corporation which is adhered to had a mean of 4.00 which implies that the respondents agreed on this statement. The standard deviation of 0.771 was the third largest implying it was the third farthest from the overall mean. The procurement process is fair and transparent had a mean of 2.71 which is near 3 showing that the responses neither agreed nor disagreed on the fairness and transparency of the procurement process. The standard deviation of 0.802 was the second largest implying it was the second farthest from the overall mean. Supplier contracts are awarded on merit devoid of expectations of kick backs had a mean of 1.68 which is near 2 implying that the respondents disagreed on whether the supplier contracts are awarded on merit.

There are measures to mitigate improper use of an employees work position to influence the procurement process had a mean of 1.50 which is near 2 implying that the respondents disagreed on this statement. The standard deviation of 0.688 implies that the responses were closest to the overall mean. There are mechanisms to weed out conflict of interest in the procurement process had the least mean of 1.47 which is near 1 implying that the respondents strongly disagreed on this statement. The corresponding standard deviation was 1.006 shows that the responses were highly varied. The overall mean was 2.27 which show that the respondents the respondents disagreed on procurement ethics being factor affecting the procurement performance of state corporations in Kenya. This confirms Mathenge (2012) who postulated that the current management of Kenya's procurement is ethically deficient and should use ethical consideration to reinvent itself.

8.1.4 Procurement Leadership

The respondents were also asked on the level of agreement on various statements on procurement leadership and how it affects procurement performance in the state corporations. They were asked to tick the appropriate box guided by a Likert scale where 1=Strongly Disagree 2=Disagree 3=Neutral, 4=Agree and 5=Strongly Agree. The mean and standard deviation was calculated from the responses and tabulated below.

Table 7 Procurement Leadership

Procurement Leadership	Mean	Std. Deviation	N
Visions and goals are well articulated in the procurement process	4.74	.446	38
The leadership in the state corporation comes up with policies that guide the internal procurement process	4.66	.481	38
There is leadership to ensure the organization structure is well aligned to better the procurement process	4.29	.654	38
The procurement process has full support of the organizations leadership and management	4.18	.393	38
The leadership ensures there are collaborative relationships between the suppliers and state corporations	4.18	.865	38
Overall Mean	4.41		

Visions and goals are well articulated in the procurement process had a mean of 4.74 which is near 5 implying that the respondents strongly agreed on this statement. The standard deviation of 0.446 was the second least and hence the responses second nearest to the mean. The leadership in the state corporation comes up with policies that guide the internal procurement process had a mean of 4.66 which implies that the respondents strongly agreed on policy formulation at the state corporations. The standard deviation was the third largest, third farthest from the mean. There is leadership to ensure the organization structure is well aligned to better the procurement process had a mean of 4.29 which is near 4 implying that the respondents agreed to this statement. The standard deviation of 0.654 was the second largest and the second farthest from the mean.

The procurement process has full support of the organizations leadership and management and the leadership ensures there are collaborative relationships between the suppliers and state corporations had a joint mean of 4.18 which implies that the respondents agreed on both the statements. The standard deviations were 0.393 and 0.865 respectively. The overall mean of 4.41 shows that the respondents agreed on procurement leadership being factor affecting the procurement performance of state corporations in Kenya. Kemunto & Ngugi (2014) shares the above sentiments, whose research has shown that support for leadership and management plays a critical role in improving organizational performance.

8.1.5 Procurement Performance

The respondents were asked on the level of agreement on various statements on procurement performance in the state corporations. They were asked to tick the appropriate box guided by a Likert scale where 1=Strong disagreement 2=Disagreement 3=Neutral, 4=Agreement and 5=Strong agreement. The mean and standard deviation was calculated from the responses and tabulated in Table 8 below

Table 8 Procurement Performance

Procurement Performance	Mean	Std. Deviation	N
Reduced costs	4.68	.471	38
Increased quality of goods and services	4.61	.495	38
Tendering is transparent and tender evaluation is conducted by competent persons.	4.34	.938	38
There is timely delivery of goods and services	4.05	1.012	38
Officers are trained and sensitized on the public procurement and regulation	3.66	.878	38
Procurement staff are qualified and experienced to handle Procurement performance	3.34	1.258	38
Prequalification is open and fair to all the applicants	2.95	1.451	38
Overall Mean	3.95		

On whether there are reduced costs due to the procurement factors had a mean of 4.68 which is near 5 implying that the respondents strongly agreed on this statement. The standard deviation of 0.471 was the least and nearest to the mean. With a mean of 4.61 which is near 5 the respondents strongly agreed that there is increased quality of goods and services, the standard deviation of 0.495 implies that the responses were second nearest to the mean. Tendering is transparent and tender evaluation is conducted by competent persons had a mean of 4.34 which is near 4 which shows that the respondents agreed on this statement. The corresponding standard deviation was 0.938. There is timely delivery of goods and services had a mean of 4.05 which implies that the respondents agreed on this statement. The corresponding standard deviation was 1.012.

Officers are trained and sensitized on the public procurement and regulation had a mean of 3.66 which is near 4 implying that the respondents agreed on this statement. The corresponding standard deviation was 0.878. Procurement staff are qualified and experienced to handle procurement process had a mean of 3.34 which is near 3 which means that the respondents were neutral on this statement. The standard deviation of 1.258 was the second largest which implies the responses were second farthest from the mean. Prequalification is open and fair to all the applicants had a mean of 2.95 which is near 3 shows that the respondents were neutral on this. The corresponding standard deviation of 1.451 was the largest and hence the responses highly varied. The overall mean of 3.95 shows that the respondents agreed on the factors having an influence on the procurement performance of state corporations in Kenya. With good practices,

procurement performance is bound to be demonstrated in any public institution (Okoye & Nwadihoha, 2017).

8.2 Inferential Statistics

8.2.1 Correlation Analysis

The study conducted correlation analysis to test the strength of association/relation between research variables. Table 9 presents the correlation analysis results. Supplier relationships management was found to correlate positively with procurement performance at 0.934 and significant with 0.000 <0.05 at 5% level of significance. Increase in supplier relationship management leads to increase in procurement performance. Wangeci (2013) found out that supplier relationships affected procurement positively findings that were echoed by (Gitau & Kosgei, 2016).

Risk Management correlated positively with procurement performance at 0.898 and significantly with 0.000 <0.05 at 5% level of significance. Increase in risk management leads to increase procurement performance. This is contrary to the findings of CIPS (2013) who described the benefits of procurement risk management that an organization can gain and asserted a positive relationship.

Procurement ethics was found to correlate positively with procurement performance with a value of 0.823 and significant with 0.000 <0.05 at 5% level of significance. This implies increase in procurement ethics leads to an increase in procurement performance. This deviates somewhat with Mathenge (2012), who postulated that the current management of Kenya's procurement corporations is ethically deficient and should use ethical consideration to reinvent itself.

Table 9 Correlation Analysis

		SR	RM	PE	PL	PP
Supplier Relationships	Pearson Correlation	1	.844**	.664**	.801**	.934**
	Sig. (2-tailed)		.000	.000	.000	.000
	N		38	38	38	38
Risk Management	Pearson Correlation		1	.561**	.677**	.898**
	Sig. (2-tailed)			.000	.000	.000
	N			38	38	38
Procurement Ethics	Pearson Correlation			1	.829**	.823**
	Sig. (2-tailed)				.000	.000
	N				38	38
Procurement Leadership	Pearson Correlation				1	.906**
	Sig. (2-tailed)					.000
	N					38
Procurement Performance	Pearson Correlation					1
	Sig. (2-tailed)					
	N					

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

Procurement Leadership was found to correlate positively with project performance with a value of 0.906 and significant with $0.000 < 0.05$ at 5% level of significance. This implies that increase in procurement leadership leads to increase in procurement performance. The success of the procurement of an organization is highly dependent on the ability of the company to support the procurement function and maintain good relationships with other companies that are part of the supply chain network (Oyuke and Shale, 2014).

8.2.2 Regression Analysis

The dependent variable (procurement performance) was regressed against the independent variables (supplier relationship management, risk management, procurement ethics and procurement leadership). The co-efficients of the regression model were presented in Table 10 below.

Table 10 Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	.504	.324		1.554	.130
Supplier Relationships(X ₁)	.184	.139	.240	1.321	.006
Risk Management(X ₂)	.009	.126	.006	.069	.005
Procurement Ethics(X ₃)	.172	.090	.214	1.901	.000
Procurement Leadership(X ₄)	.376	.140	.503	2.696	.011

The regression equation was as follows

$$Y = 0.504 + 0.184X_1 + 0.009X_2 + 0.172X_3 + 0.376X_4$$

The Y intercept 0.504 is the predicted value of the intensity of procurement performance when all the other variables are 0, implying that without inputs of independent variables level of performance for state corporations will be 0.504. The other coefficients tell about the relationship between independent and the dependent variables.

When supplier relationships management increases by one unit procurement performance increases by 0.184 units. This shows that the state corporations had supplier relationships that were constructive in the procurement performance agenda. When risk management increases by one unit, procurement performance increases by 0.009 units. This implies that the state corporations in Mombasa have the correct risk management practices towards procurement performance.

When procurement ethics increases by one unit, procurement performance increases by 0.172. The ethics embraced by the state corporations aided in procurement performance. When procurement leadership increases by one unit, procurement performance increases by 0.376 units. The procurement leadership in these state corporations was geared towards aiding in procurement performance.

The model summary for the study variables is presented in Table 11 below.

Table 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	.773	.746	.34459

a. Predictors: (Constant), Procurement Leadership, Supplier Relationships, Risk Management, Procurement Ethics
b. Dependent Variable: Procurement Performance

The value of R-square implies that 77.3% of the procurement performance is explained by the model. This means that a paltry 22.7% of the total variance of procurement performance cannot be explained by the model. The analysis of variance of the model was calculated and presented in Table 12 below.

Table 12 Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.351	4	3.338	28.109	.000 ^b
Residual	3.919	33	.119		
Total	17.270	37			

a. Dependent Variable: Procurement Performance
b. Predictors: (Constant), Procurement Leadership, Supplier Relationships, Risk Management, Procurement Ethics

The analysis of variance table was presented in Table 12. An F-statistic of 28.109 indicated that the overall model was insignificant as it more than the F critical value of 2.66 with (4, 33) degrees of freedom at $p=0.05$ level of significance. The findings imply that the factors supplier relationship management, risk management, procurement ethics and procurement leadership affect the procurement performance for state corporations in Kenya.

8.3 Hypothesis Testing

8.3.1 Test of Hypothesis One

The first null hypothesis stated that Supplier relationship management has no significant effect on procurement performance of state corporations in Mombasa County. The results indicated that supplier relationships management had a significant effect on the procurement performance of state corporations in Mombasa County as shown in Table 4.11 ($B_1=-.240$, $t=1.321$ & $p=0.006<0.05$). Hence the study accepted H_{01} leading to the conclusion that supplier relationships management has no significant effect on the procurement performance of state corporations in Kenya.

8.3.2 Test of Hypothesis Two

The second null hypothesis stated Risk management has no significant effect on procurement performance of state corporations in Mombasa County. The results indicated that risk management had a significant effect procurement performance of state corporations in Mombasa

County, Kenya as shown in Table 4.11 ($B_2=0.006$, $t=0.069$ & $p=0.005<0.05$). The study accepted H_{02} thereby leading to the conclusion that Risk management has no significant effect on procurement performance of state corporations in Mombasa.

8.3.3 Test of Hypothesis Three

The third null hypothesis stated that Procurement Ethics has no significant effect on procurement performance of state corporations in Mombasa County. The results indicated that procurement ethics had a significant effect on procurement performance of state corporations in Mombasa County as shown in Table 4.11 ($B_3=0.214$, $t=1.901$ & $p=0.000<0.05$). Hence the study accepted H_{03} leading to the conclusion that procurement ethics has no significant effect on procurement performance of state corporations in Mombasa County.

8.3.4 Test of Hypothesis Four

The fourth null hypothesis stated that Procurement Leadership has no significant effect on procurement performance of state corporations in Mombasa County. The results indicated that Procurement Leadership has a significant effect on procurement performance of state corporations in Mombasa County as shown in Table 4.11 ($B_4=-0.506$, $t=2.696$ & $p=0.011<0.05$). Hence the study rejected H_{04} leading to the conclusion that procurement leadership had a significant effect on procurement performance of state corporations in Mombasa County.

9.0 DISCUSSION OF KEY VARIABLES

The mean and standard deviation for the study variables was calculated based on the responses from the questionnaires. The overall mean was calculated by getting the average of the means. The study variables were supplier relationship management, risk management, procurement ethics, procurement leadership and procurement performance.

9.1 Supplier Relationship Management

The overall mean of 4.25 for supplier relationship management showed that the respondents agreed that supplier relationship management was a factor affecting the procurement performance of state corporations in Kenya. This is in line with what Mwirigi (2011) and Wangeci (2013) found that supply chain relationships are a necessary component in the performance of the institutions their studies were based on.

9.1.2 Risk Management

The overall mean for risk management of 3.20 implies that the respondents were neutral on risk management being factor affecting the procurement performance of state corporations in Kenya. It is asserted by Gichuhi (2011) that procurement risk management is a prerequisite towards building a competitive advantage in a company and hence affecting its performance positively.

9.1.3 Procurement Ethics

The overall mean for procurement ethics was 2.27 which show that the respondents the respondents disagreed on procurement ethics being factor affecting the procurement performance of state corporations in Kenya. This confirms Mathenge (2012) who postulated that the current management of Kenya's procurement is ethically deficient and should use ethical consideration to reinvent itself.

9.1.4 Procurement Leadership

The overall mean for procurement leadership of 4.41 shows that the respondents agreed on procurement leadership being factor affecting the procurement performance of state corporations in Kenya. Kemunto & Ngugi (2014) shares the above sentiments, whose research has shown that support for leadership and management plays a critical role in improving organizational performance.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusion

10.1.1 Supplier Relationship Management

The respondents agreed on being a mutual commitment between the suppliers and the state corporation in the business conducted. The state corporation has trust in the suppliers partnered with. There is effective communication between the suppliers and the state corporation. Lastly the supplier relationships have yielded satisfaction. The respondents agreed that supplier relationship management does not affect the procurement performance of state corporations in Kenya. Supplier relationships management was found to correlate positively with procurement performance at 0.934 and significant with $0.000 < 0.05$ at 5% level of significance. Increase in supplier relationship management leads to increase in procurement performance.

10.1.2 Risk Management

To distribute risks, there is proper outsourcing of the procurement functions and performances in the state corporations. To mitigate risk the state corporation conducts dual sourcing in the procurement performance. The respondents were neutral on whether there is a risk review performance, after implementation of the mitigation measures for identified procurement risk. The respondents disagreed on whether there is proper communication on the risks involved in the procurement performance. The overall mean implied that the respondents were neutral on risk management being factor affecting the procurement performance of state corporations in Kenya. Risk management does not influence procurement performance of state corporations.

Risk Management correlated positively with procurement performance at 0.898 and significantly with $0.000 < 0.05$ at 5% level of significance. Increase in risk management leads to increase in procurement performance.

10.1.3 Procurement Ethics

In the state corporations it was found out that there is an ethical code of is adhered to. The procurement process is neither fair nor transparent and the supplier contracts are not awarded on merit devoid of expectations of kickbacks. There are no measures to mitigate improper use of an employees work position to influence the procurement process. The overall mean showed that the respondents the respondents disagreed on procurement ethics being factor affecting the procurement performance of state corporations in Kenya.

Procurement ethics was found to correlate positively with procurement performance with a value of 0.823 and significant with $0.000 < 0.05$ at 5% level of significance. This implies increase in procurement ethics leads to an increase in procurement performance.

10.1.4 Procurement Leadership

The study found out that visions and goals are well articulated in the procurement process. The leadership in the state corporation comes up with policies that guide the internal procurement process. There is leadership to ensure the organization structure is well aligned to better the procurement process. The procurement process has full support of the organization's leadership and management and the leadership ensures there are collaborative relationships between the suppliers and state corporations. The overall mean showed that the respondents agreed on procurement leadership being factor affecting the procurement performance of state corporations in Kenya. Procurement leadership has a significant effect on procurement performance.

Procurement Leadership was found to correlate positively with project performance with a value of 0.906 and significant with $0.000 < 0.05$ at 5% level of significance. This implies that increase in procurement leadership leads to increase in procurement performance.

10.2 Recommendations

10.2.1 Recommendation on Supplier Relationship Management

Increase in supplier relationship management leads to an increase in procurement performance. It was expected that an increase in supplier relationship should lead to an increase in performance; the study recommends the state corporations to delve into establishing supplier relationships with the suppliers that will improve the performance of the corporations.

The study recommends that trust, commitment, communication, and mutual goals are vital elements that create effective supplier relationships and should be built in state corporations. These elements have a positive effect on the performance of the organization. They not only improve efficiency and cost reduction through collaborative commitments with suppliers, but also reinforce the involvement of the supplier in the organization's overall strategy for the state corporations.

10.2.2 Recommendation on Risk Management

Increase in risk management leads to increase procurement performance. The study recommends that the state corporations in Mombasa County to continue with the best practice of risk management and to co-opt risk management in their operations as it had been found out that it leads to procurement performance.

The study recommends integration of procurement risk management into the activities of state corporations, procurement professionals and practitioners will be better positioned to engage with top management on the strategic agenda and corporate governance of their organizations (state corporations). While procurement risk management's alleged objective is to derive a competitive advantage, it is recommended that procurement risk management practices in state corporations should always be strategically aligned with their overall competitive strategy.

10.2.3 Recommendation on Procurement Ethics

Procurement ethics was found to lead to an increase in procurement performance. The study recommends the state corporations to harness and galvanize its operations towards improving ethics adherence for better performance.

The study recommends concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency to be involved in ethical behavior in state corporations. Avoiding conflicts of interest and not misusing the position of an individual should be avoided at all costs in state corporations in Mombasa County. The study also recommends that unethical behavior in public procurement should be done away with through training and punishment of those found guilty.

10.2.4 Recommendation on Procurement Leadership

Increase in procurement leadership leads increase in procurement performance. The procurement leadership in the state corporations needs motivation and training to be able to influence procurement performance more positively. The study recommends the state corporations to undertake that.

The study recommends that leadership and management support collaborative relationships between a company and its suppliers, facilitating transparent negotiations and also long-term relationships that eventually leads to high-quality inputs being procured at affordable prices should be enhance. This improves the performance of the state corporations.

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