# STRATEGIC PROCUREMENT MANAGEMENT PROCESSES ON PERFORMANCE OF PUBLIC INSTITUTIONS IN KENYA: A CASE OF NATIONAL TRANSPORT AND SAFETY AUTHORITY

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## ABSTRACT

Organisations both in the public and private sector domain have highly adopted strategic management with an aim to provide a blue print in the management of the entire firm. Excellence in procurement has increasingly become a vital component in the success of operations within companies. The main objective of this study was to assess the influence of strategic management of procurement processes on the organizational performance of public institutions in Kenya, with a focus on National Transport and Safety Authority. The specific objectives of the study are; To establish the influence of supplier management on the performance of organisations; determine the influence of technology utilization on the organizational performance, Investigate the organizational capacity influence on organization performance of NTSA. The study made use of a descriptive research design while employing stratified random technique to come up with 92 respondents from 923 NTSA employees making a 10% sample. Closed ended questionnaires were used to collect data while descriptive statistics were exploited to show the relationship between variables. The study made use linear regression and correlations to show the relationship between the independent and dependent variables. Among the study findings, correlation analysis revealed that there was a significant relationship between supplier management and organizational performance. There was a positive relationship between technology utilization and organizational performance, there was a positive relationship between organizational capacity and organizational performance. The study concludes that the existence of a pre-qualified list of suppliers who are reliable had the greatest effect on operational performance with a mean of 3.88. the study further concluded that organizational capacity had a distinct procurement function/department in place and that it's structure supports the implementation of strategic procurement contributed to organizational performance. The study suggest that there is need for both top managers and other senior managers in firms such as NTSA to invest in research and development (R&D) with an aim of adopting the new technologies so as to keep pace with trends in the global arena and shifts in trajectory; further study is required focusing on other public institutions for generalizability and comparative analysis. Similar studies should also be conducted to focus on private institutions particularly Small and Medium sized organizations an area not much research has focused on.


## INTRODUCTION

The complex and competitive environment in which today's firms operate coupled with technological advancement and globalization requires business organisations to devise strategies to enable them gain competitive advantage over competition. To achieve this there need for the management to determine the necessary competences (Spreitzer & Porath, 2012). Consequently, competency mapping has gained significant importance in today's competitive business environment (Mani, 2013). Yuvaraj and Maran (2013) postulated that competency

mapping identifies the key competencies such as innovativeness for effective performance of a particular job. Competences are derived from specific job families within the organization such as strategy, relationships, innovativeness, leadership, risk-taking, decision-making and emotional intelligence (Müller & Turner, 2010). This study focuses on innovativeness as a competence aimed at establishing how it influences the performance of a firm.

Globally organizations are continuously facing the pressure of delivering results in an uncertain world. The modern business climate demands that companies continuously improve processes and ways of doing this to meet organizational objectives in a timely and cost-effective manner while maintaining the organization's profitability and market relevance. In this dynamic global marketplace, procurement must play a leading role in capturing the value at stake (Spiller, Reinecke, Ungerman& Teixeira, 2014). Firms in the recent past have had to face great competitions all over the world due to the nature of the market that has been progressively dynamic with demand for cost reduction, lean procurement, volatility of prices and scarcity of raw materials. Organizations respond to the challenges through price reduction, exploration of new markets and or partnerships as well as the introduction of novel products and services as well as reorganizing the structure of administration (Pande, 2018). Procurement has evolved over the years with its first traces seen throughout ancient history including the Egyptians as early as 3000 BC.

In the late 1990s, digital technology became a key driver for procurement progress and by the turn of the millennia, the role of procurement had begun its transition into strategic sourcing. In the developed economies procurement officials have had to view the suppliers as partners and in the long run. Contracts have been encouraged. This was the onus of what is today referred to as procurement within the supply chain management. It has evolved and in an environment of dynamic technology, it has been evolving and has now shifted to strategic sourcing, vendor management software, e-procurement among other innovations that save the organisation's time such that they can now focus on organisation based initiatives and other matters that pertain to the supply chain management. (Nolan, 2019). Organizations are thus making a shift from traditional procurement to a more strategic function. This is in response to the changing market environment and the dynamics of global competition, price reduction pressure, need for value addition and the fight for competitive advantage. This is further driven by globalization which is can be viewed as the expansion as well as intensification of social relation across space and time. It is about growing worldwide interconnectivity (Steger, 2017).

According to the research by Hacket Group (2014), total cost ownership and value management which refers to the value beyond savings are some of the characteristics of world class procurement organizations. Strategic procurement practices to look into include properly staffing and aligning the procurement department, with the top leadership focusing on strategy and are less concerned about transactional ability. The well to do companies hire procurement professionals who have a strong communication-based relationships and relation management and related skills as well as the ability to think in a strategic manner and have a focus on creation of value. The managers should therefore be well endowed in technology and are capable of having solutions to complex problems.

In the context of Kenya, In January 2016, the Public Procurement and Asset Disposal Act (PPADA) 2015 was implemented. The Public Procurement and Assets Disposal Act 2015 gives effect to article 227 of the Constitution of Kenya on efficiency and define the roles of regulatory bodies (PPRA, 2019). The PPADA 2015 applies to public institutions and corporations and state organs, the county governments, as well as companies owned by entities in the public sector as well as bodies within both the county and national governments that have a controlling interest, among others (PPRA, 2019). Both in Public and Private organizations, the key goal of organizational strategies is to enable an organization gain and maintain competitive advantage in the industry while maximizing the return on costs. (Hitt, Ireland, & Hoskisson, 2017).

Procurement in the Ministry of Transport follows the tenets of PPAD 2015 Act which applies to all public institutions. While the structural guidelines of the PPDA Act 2015 are in place, The responsibility is still on the public organizations to come up with measures that increase their efficiencies while saving on costs Odero & Shitseswa, (2017) in their studies point out procurement costs take up to 50%-60% of all costs incurred by public organizations. One way organizations do this is by benchmarking their procurement function to the global best practices all over the world. Strategically managed supply chains has been shown to have a significant impact on several aspects of firm performance (Kim, Suresh, &Kocabasoglu-Hillmer, 2015).

## Strategic procurement

Strategic procurement is concerned with the comprehensive organization goals and objectives. The strategic procurement practices are proactive in nature and are focused on providing value over the long term. It is a cyclical, holistic approach that looks beyond the traditional procurement of simple cost-saving measures but more on overall value. One major objective of strategic procurement is to engage with suppliers who align with the strategic business and operational goals (Sollish & Semanik, 2018). The advent of globalization has made some organisations to improve their supply chain management and related processes and more so integration of ICT in their endeavours is a bid to gain some competitive edge.

Strategic procurement can further be viewed as the process of aligning and consistently creating action that establishes the long range objectives and overall strategy or course of action by which procurement function fulfills its mission. It entails the transformation of an organization's mission, goals, and objectives into measurable activities to be used to plan budget and manage the procurement function (Kocabasoglu, 2012). Strategic procurement can be approached from three main dimensions namely: Development and management of key suppliers, internal operation of procurement function and coordination of purchasing with other functions within the firm, and efforts to meet or exceed customer expectations. It is seen as one of the critical function of an organization with the potential to; save cost, improve operational efficiency, access to trusted suppliers, and improve in quality of product or service, sharing of best practices among others (Magnus, 2016). There are various strategic procurement practices that affect organizational performance. However, the main approaches

discussed in this study comprise; strategy development, spend analysis, supplier relationship management, measurement plan, and technology utilization, (CIPS Australia, 2010).

## National Transport and Safety Authority

The National Transport and Security Authority (NTSA) is a public institution domiciled within the Ministry of Transport and Infrastructure. This Public corporation was founded via an Act of Parliament (Cap 33 of NTSA Act of 2012). The objective of this entity was to effectively manage the road Transport sub sector and reduce the number of lives lost through road accidents. The Mandate of the organisation includes the provision of advice and recommendations on matters related to the safety of vehicles, improvement as well as implementation of road safety rules as well as manage plans for road and vehicle safety in accordance with the set laws rules and regulations. It also ensures that supply, security and reliability of road transport is upheld.

Over a span of more than ten years, the NTSA has been dealing with matters concerning the safety Kenyan roads as an established authority in accordance with the Road safety Action plan of 2011 to 2010 of the UN Decade that calls for countries to improve on the safety of the roads in not just managing but also creating an association as well as assigning the agencies with the requisite capacity to offer much better road safety measures. In the process of carrying out this mandate, the authority has the mandate to register as well as license all motor vehicles in Kenya. They also carryout motor vehicle inspection as well as certification and the complete regulation as well as monitoring of vehicles in the public service. They also advice to the Government on the right policies to be implemented within the transport sector. NTSA is also responsible for drafting and enforcement of strategies for safety in our roads. They also conduct research and compile reports on the occurrence of accidents. They also establish the preferred systems that can be used to oversee training, test and licenses for all Kenyan drivers. Moreover, NTSA helps in formulating the best curriculum for all driving schools in Kenya and also coordinates with organisations and individuals as well as organisations that deal with the Cabinet Secretary or any other laws (Bennet 2012)

## Organizational Performance

Organizational performance is the ability of an organization to fulfill its mission through sound management, strong governance and a persistent rededication to achieving results, (Parasuraman2014).The author, further contends that enterprises that have adopted strategic procurement are able to deliver their products and (for this study), services. When defining Organizational performance, it is important to consider a wide variety of potential organizational performance indicators. This research considers organizational performance in terms of quality, productivity and service delivery, reduction of waste, cost reduction and public (customer) satisfaction.

## Statement of the Problem

The practice of strategic management has been to a great extent adopted by various organisations, where the main aim is to provide directions as to how the management process will carry on. It has been a tool used by various organisations to improve on their efficiency.

In the process of procurement, strategic management is utilized such that the procurement function and activities such as invention, transport and logistics, reduction of wastage, over production prevention, reduction of delays in procurement and processing. Excellence in procurement is increasingly becoming a vital factor in the delivery of efficient of operations that are highly successful within various organisations. During the downturn processes when it is mandatory that companies consider any available means to cut on costs so as to survive, the procurement function is vital in achievement of set strategic goals (Schiele and McCue, 2016)

There are various challenges that affect Public Institutions that are mainly within the procurement services and that have a great impact on the overall performance of the organisation. These include difficulties in making purchases and supplies in a timely way, the increasing cost of transactions as well as competition from competitors. According to Kabuga (2012) Lean procurement methodologies that are utilized by large scale manufacturing firms in Kenya found that the methods adopted include lean procurement practices and in a positive and significant way aided such firms in creation of a competitive edge.

Various studies have been done on the effect of strategic procurement on the organisational performance, the literature so reviewed has exposed a contextual, conceptual as well as methodological gap. , Crop and Ivaro (2016) for instance investigated the relationship between Procurement function and performance of SMEs in Nairobi County, the gap here is mainly conceptual in that the study dwelt on SMES leaving out public institutions. The same can be said of Manyega and Okibo (2015), Manas 2014), Kimathi (2017), Ollows and Moro (2015). The Literature so far reviewed also exposed some the methodology based gaps. The study by Salaberrio (2016) was done through Telephone and skipe interviews complicating the process of coding and decoding information. While the study by Nazaline na O'dour were conducted in Singapore and Slovania respectively. Although these studies may seem similar to this one they were done in countries in the far East and Eastern Europe. The context in which these two studies are done is different from that of Kenya. While the latter is a developing nation, the former can be grouped in the second tiers of development. The same can be said of studies by Taiwo, Yawande, Agwu and Benson (2015) Ollows and Moro (2015

To the best of the research's knowledge, there is a limitation in the number of studies that have been conducted relative to the process of strategic management processes as well as the efficiency in operations of public institutions in Kenya. It is this gap that the study sought to fill.

## General Objective of the study

The general objective of the study is to assess the Influence of strategic management of procurement processes on the organizational performance of public institutions in Kenya, a case of National Transport and Safety Authority.

## Specific Objectives of the study

i. To assess the influence of Supplier Management on the organizational performance of NTSA
ii. To determine the influence of Technology Utilization on the organizational performance of NTSA

To assess the influence of organizational capacity on the organizational performance of NTSA

## LITERATURE REVIEW

### Theoretical framework

### Agency Theory

In agency relationships, the principal or the main party delegates work to the agent (second party). According to Ross(1973) compensation for for deficits in expertise or a focus on the core competencies, where the agent acts on behalf and for the principal, it resembles certain behaviours including performing for the benefit of the principal or as an employee or the representative of the principal. As stated by Einshardt (1989) profit maximisation as well as self interest persists. Focusing on on the agency theory is central to the determination of the most efficient contracts that govern the principal agent relationship. The idea of a contract is used as a description of the relations with the agency and it is designed based on specific outcomes such as behaviours or commissions or een bahaviours such as wages and salaries on behalf of the agent (Eisenhardt, 1989).

The two stream Agency theory have been found in the principal-agent as well as research the positivist view of the agency theory. (Eisenhardt, 1989). In the relationships with the agency typically the principal in most cases reduces the cost of agency, rewarding, specifying as well as policing the behavior of the agent while the agent works in a bid to maximize rewards and reduce the principal control (Fleisher, 1991). Managing the agency problems effectively such as acquiring information/communication, preferences mismatch as well as conflict of interest, moral hazards or efforts as well as the capability that is usually associated with the agent can also be said to be important in any relationship between the agent and the principal. The theory provides a highly useful framework that analyses the relationship within the supply chain management because such chains can be said to be in tandem with the principal agents dyads. More so on the management of the suppliers within public organizations.

### Resource-Based View

The resource-based view (RBV) attempts to offer an explanation on how the specific deployment as well as combination (also known as capabilities) of the tangible and intangible resources can potentially help companies in the achievement of a competitive advantage (Priem&Swink, 2012). The early work of Penrose (1959) viewed organisations as bundles of idiosyncratic resources, the developments within the RBV have in most cases directed its attention towards the specific nature of resources as well as their positioning that can potentially create barriers as well as economic rents for their competitors. (Lavie 2006). The

study has also highlighted the traditional RBV and at the same time assumed ownership as well as control of resources as the main domain of the organisation. This is however in contrast with the premise of purchasing, outsourcing or management of the entire supply chain wherein taking advantage of the capability of the partner to compensate for the impairment in competency and at the same time focus on the core competencies. Therefore, the resource that is naturally proprietary as assumed by the traditional resource-based view can potentially hinder the application of collaborative arrangements where shared and non-shared resources are managed seeking to build a competitive edge (Lavie 2006). However, in its rendition, RBV views the notion of a network resource as one that uses the explanatory power within the environment of the supply chain.

The application of the resource-based view in the supply chain management mainly focuses on the structural analysis (Miller & Rose, 2003) as well as the identification of the various antecedents for maintenance of competitive advantage within the supply chain management. Halldorson et al. (2007) urges that the main supply chain management decisions are under pinned by the resource-based view though in an implicit manner. For one to respond to uncertainties as well as changes in the form of companies at the inter-organisational arrangements so as to enjoy resources position and barriers that are built through collaborative efforts. This is in particular very true in certain situations where the resources are scarce or the competition so intense to make organisations realize that reliance on the internal resources only is not sufficient to secure competitive advantage (JAP, 2001) The Resource based view is also critical to this study relative to the utilization of technology in the era of globalization. Organizations in both in the public as well as the private sector are always striving to have a competitive edge. This theory will therefore be instrumental in this study.

## Empirical Review

### Effect of Supplier Management on Operational Performance

Supplier management is a holistic approach that entails supplier qualification, verification, selection and supplier performance management which also encompasses compliance management and supplier development which entails supplier collaboration. Smith (2014). Abdollahi, Arvan, &Razmi, (2015) further highlight that supplier management is regarded as the cornerstone of successful purchasing and supply management to maintain and enhance the competitive edge in organizations. This section discusses the dimensions of supplier management in terms of supplier selection, supplier development data management and supplier performance management.

Suppliers are key stakeholders in any organization and play a key role in organizations attaining or not meeting their set objectives and goals. Supplier evaluation and selection is a process of finding the appropriate suppliers who can provide the best and quality products and/ or services at the right time and at the right amount with an acceptable price. Supplier selection problem is vital for a company operating in a competitive environment. To be competitive, the company should be a continuous effort to ensure the right suppliers are engaged (Dikmen, 2015). Selecting suppliers in a strategic manner as well as evaluating the

decision cannot be said to be solely based on the traditional selection criteria including cost, delivery and quality. Strategic sourcing may have other additional and may be considered with an aim to develop a supplier relationship on the long term, management practices, financial muscle, innovativeness and technology. (Navasiri, Kumar, Garza Reyes, Lim, & Kumari, 2016).

Krop&Iravo (2016) based on their study concluded that supplier selection has significant effect on procurement function performance and thus an organizations overall performance. This being brought about by the fact that quality of products and services provided are directly linked to the suppliers selected by the organization and can in that way impact the final product or services being provided to the end customer. In their evaluation of the effects of supplier selection on procurement performance of public institutions, Manyega&Okibo(2015) reported s that successfully selecting a supplier as a source of creation of competitive advantage in that they affect performance of public organisations in a positive way when carefully selected. A Structural approach that is well managed elevate successful supplier selection ensures that suppliers have the experiences skills and knowledge to perform their duties to the greatest potential possible. The institution was to benefit from this through cost saving; financial costs, mitigating delay costs and reputational costs, improved quality, effectiveness and efficiency. (Abdollahi, et al., 2015).

Spiller, Reinecke, Ungerman, & Teixeira (2014) highlighted that literature generally supports that the supplier development plays a vital role in improving performance in purchasing and contributes strategically to overall organizational performance and effectiveness. Luzzini, Amann, Caniato, Essig, & Ronchi (2015) in their study support the definition of supplier development and collaboration as good practice and established to have positive impact on innovation performance of organizations. According to Deloitte's Global CPO Survey 2014, the heightened levels of collaboration among suppliers and the process of restructuring the existing relationships among the top levels of procurement. They established benefits resulting from the successful supplier collaboration and relationship building activities as reduction of costs, drive and monitoring of performance of the strategic suppliers in a manner that is transparent, while maintaining the focus on the main measures that support the objectives of the business, supply risk management as well as having to comply with sourcing that is responsible, ethical and have the required regulatory regulations through strengthening global transparency as visibility of the relationships and the fostering of business development and innovation through identifying as well as implementing opportunities that can create long-term value for the organisation (Delloitte, 2015).

Olendo&Kavale (2016) established from their study that value creation has led to increase of organizational performance as there was understanding and closeness between customers, longrange relationship and contract to encourage suppliers to improve quality of their products and that inventory related cost has been reduced through lead time. The management of the supplier relationship is also tied to performance through the competitive advantage it can create (O'Brien, 2014). Supplier engagement and development eventually builds trust between suppliers and the organization and both collectively work towards the achievements of the organizational goals. In this way organizations are thus intentionally

continuously working towards better standards from the suppliers impacting delivery and performance of the organization at the same time reducing the risk of non-performance and delivery of the suppliers (Sollish&Semanik, 2018).

## Effect of Technology Utilization on Operational Performance

Technology utilization refers to the incorporation of technology in an organization's operations and activities. It is the application of technological resources to achieve organizational goals (Johnson, Whittington, Scholes, Angwin, &Regner, 2017). This section discusses the dimensions of technology utilization in terms of E-procurement, Data Management and Risk Management. The emergence of e-procurement is not only expected to reduce the cost of the purchasing process but also to alter the activities of purchasing, transforming the purchasing process from an operational into a strategic activity (Gupta &Narian, 2014).

Organizations operate in increasingly complex and uncertain environments with high risks of supply disruptions making supply management an increasingly complex task. In the longer-term supply disruptions can negatively affect the shareholder price and a company's long-term financial performance. A supply disruption can also mean inability to meet demand and satisfy customers (CIPS, 2017). Innovation through technology has created procurement systems which contribute in mitigating these risks by providing accurate information quickly and periodically and providing advanced tools for data analysis simplifying the process of obtaining information facilitating prompt decision making (Lysons& Farrington, 2016).

Technology plays a key role in restructuring the way global players manage risk. It assists in enhanced data capturing, secured data management, better retrieval time and also in providing advanced tools for data analysis. As organizations embrace technological solutions for the procurement function and the organizations as a whole there is need to be mindful of the compatibility and integration of those systems to those already existing in the organization to reap the full benefits without creating complexities in the operations (Monczka, Handfield, Giunipero, & Patterson, 2016). 46% of procurement leaders cite lack of data integration as the main barrier to an integrated risk management view in organizations(Deloitte, 2015). According to Infosys (2017), technology has emerged as a potent solution which could solve the lack of integration as global business today is moving towards collective risk management, bringing all stakeholders to a single point. This is providing organizations an opportunity to better calibrate their risk mitigation instruments allowing them to be proactive and stay ahead. Overall, technology now plays a massive role in integrating a firm's systems across the various departments and teams which triggers forward-thinking, leading to informed decision-making (Monczka, Handfield, Giunipero, & Patterson, 2016).

Integrated information sharing forms the base of the hierarchy of the benefits of incorporating technology in procurement operations (Toktas,Balav,Teoman, &Altunbey, 2014). Teams that put a greater emphasis on qualitative and quantitative supplier data analysis was able to quickly and successfully identify weak spots, risks and opportunities in the global supply chain - improving the strategies and plans needed to manage the suppliers, and ultimately

both businesses, for continued success (O'Brien, 2014). These measures enable the employees focus on attaining the organization's core objectives which is strategic in itself as productivity of the employees increases affecting the overall organization performance whilst reducing the risks the organization is exposed to (Johnson, Whittington, Scholes, Angwin, &Regner, 2017).

## Effect of Organizational Capacity on Operational Performance

Organizational capacity refers to an organization's potential to perform, its ability to successfully apply its skills and resources to accomplish its goals and satisfy its stakeholders expectations (UNDP, 2018). It is the ability of an organization to fulfill its mission through a blend of sound management, strong governance, and a persistent rededication to assessing and achieving results (Manas, 2014). This section discusses the dimensions of organizational capacity in terms of employee skills, organizational policies and management support.

As the role of procurement has evolved from its humble, clerical, origins, to its present strategic focus , the long run the decision for a company to invest in the right procurement team made up of members with the right qualifications and skills will result to reduction of costs as the right decisions are made on the onset ensuring minimal rework on supplier selection or contract thus saving costs for the organization (Ketchen, Crook, & Christopher, 2014). Suvittawatt (2017) points out that procurement represents major part of organization costs, then procurement employees are very important for organizations for their crucial role in financial responsibilities since the procurement tasks directly involve profits and losses of the organizations. Strategic procurement practices not only impact the performance of the procurement department but the overall performance of an organization (Ketchen, Crook, & Craighead, 2014).As the procurement function becomes more sophisticated it evolves from playing a defensive role for instance supporting cost control to actively contributing to value creation and with that places a demand on organizations ensuring they have the right team with the necessary skills to reap these benefits.

The procurement professionals have to improve their procurement knowledge and skills as the business environment has changed and the competition for limited resources is increasing (Spiller, Reinecke, Ungerman, & Teixeira, 2014). An organizations top leadership focuses more on strategy and not the operational abilities. There is a need for sourcing professionals who combine deep technical insights with broad leadership skills, particularly an ability to manage cross- functional teams and skill in managing outsourced relationships (Pande, 2018). To be effective, the procurement professional must continually explore new methods and seek out alternatives that will improve existing processes. In turn, these improvements will spawn new strategies. Tactics and strategies thus feed one another in a cycle of continuous improvement (Sollish&Semanik, 2018). Another way to maximize economies of skill is to ensure that best practices, once established, are shared widely across the organization. Research revealed that procurement leaders have effective knowledge-management processes in place to capture, codify, and communicate the best practices. Action that maintain clearly defined procurement practices, processes, and methods and

facilitates extensive sharing and application in all global businesses (Spiller, Reinecke, Ungerman, & Teixeira, 2014).

Procurement professionals undertaking strategic procurement practices will have a cross functional integration approach in their performance (Pande, 2018). The procurement role calls for them to interact with all other departments and teams in the organization. By virtue of them having this cross functional approach they can act as champions and gate keepers to ensure every team in the organization are always aligned to the organizational goals. Procurement professionals must acquire competencies and capabilities that foster integration with other key business functions, which would call for more research on how to develop these competencies through talent management (Foerstl, Hartmann, Wynstra,Moser, 2014). Organizations sometimes find themselves in the peculiar position of having more cost saving opportunities than there are staff members to implement them. This can be a hindrance to organizations that want to implement strategic sourcing but lacks the manpower as well as the resources to obtain them (Sollish & Semanik, 2016).

## Influence of Strategic Management on organisational performance

According to Lindsay, (2016) there are in existence a relationship between operational efficiency and strategic management in various firms. Lindsay argues that all the strategic management decisions are aimed at the reduction of the use of resources through maximization of returns. Each and every action that is taken aimed at reducing inventory based wastes for instance would be a strategic management decision that would be based on efficiency and would make the executives share an assistant, rather that hire executives assistants for each and every other executive.

According to Odero (2014), there exists a relationship between strategic management and operational efficiency of firms. Lindsay argues that all the strategic management decisions are aimed at transforming the operations of organizations and this consequently improves the operational efficiency of the organization. Strategic management decisions that promote efficiency tend to be aimed at reducing the use of resources through maximizing return. Any action taken to reduce inventory waste, for example, would be a strategic management decision aimed at greater efficiency. Efforts to increase productivity would be included in this category. Another strategic management decision that would be efficiency-oriented would be having executives share an executive assistant, rather than hiring executive assistants for each executive.

Strategic management has evolved into a more sophisticated and potentially more powerful tool of enhancing organizational efficiency (Stoney, 2011). The strategic management process requires competent individuals to ensure its success. The top management of an organization has responsibility to ensure firm success and overcome any competition that occurs. However, to be more effective, Stahl and Grigsby, (2012), noted that people at all levels, not just top management, need to be involved in strategic management; scanning the environment for critical information, suggesting changes to strategies and programs to take advantage of environmental shifts, and working with others to continuously improve work methods, procedures and evaluation techniques.

The application of strategic management in business for various sectors has long been adopted as a response to market demand, variations in clients' taste and changing of technology all aimed at enhancing operational efficiency. The adoption of a clear strategic perspective in organizations is one of the factors that determine the operational efficiency of these organizations. Having a good strategy is also one of the important factors that enable the organizations to survive and go further. Stoner and Wankel, (2017), stated that effective management must have a strategy and must operate on the day-to-day level to achieve it. As noted by Pearce and Robinson, (2000), strategic management is vitally important even on the small scale within a business in overseeing efficiency. However, strategic management is difficult to accomplish without a clearly defined set of goals for the business' operation. Knowing what businesses core competencies are is good from the standpoint of understanding its strengths in the marketplace, but this also helps you to identify areas for improvement and set goals and objectives based on those weaknesses.

## Conceptual Framework

The conceptual framework in this study shows the relationship between the independent and dependent variables. Particularly how supplier management, Technology and organisational capacity as well as utilization of strategic management influences the procurement function hence the performance of organisations.

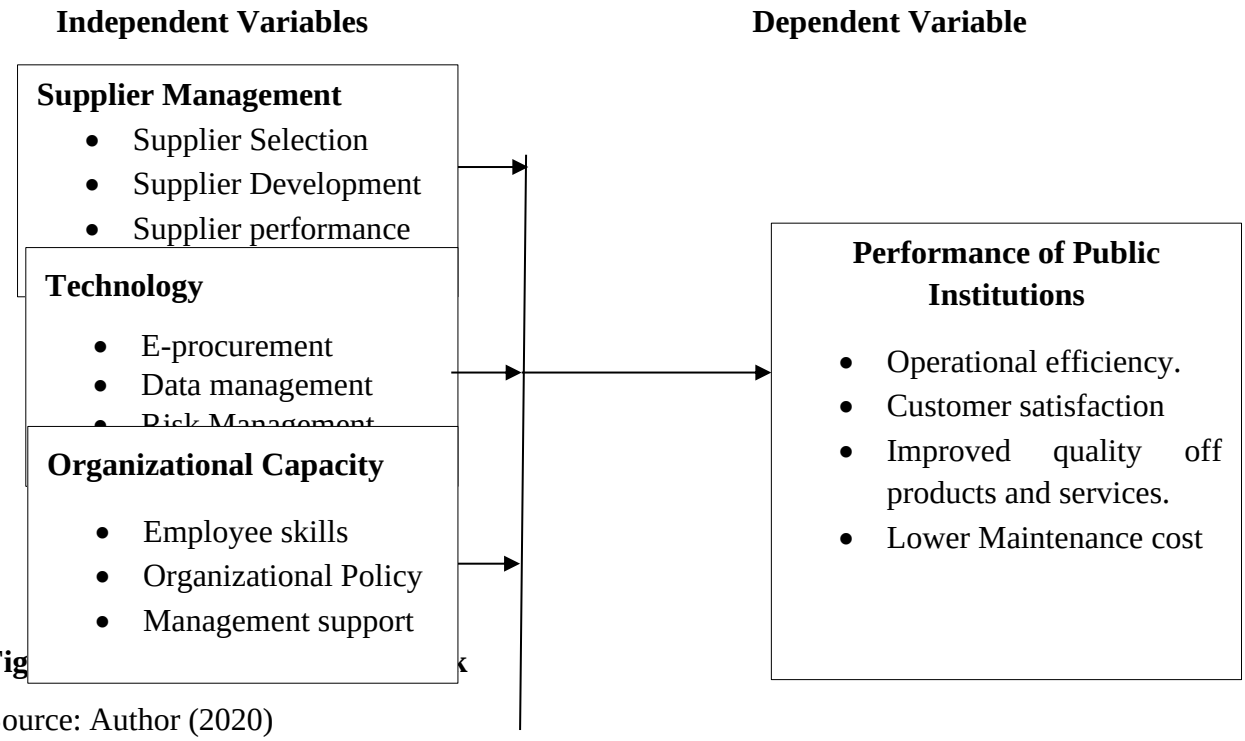


**Fig** **k**

Source: Author (2020)

## RESEARCH METHODOLOGY

For the purpose of this study, descriptive research design was used. This research design leverages the advantages of both descriptive research approaches and correlation research designs in order to explain the natural occurrence of phenomenon as well as explain the relationships between the variables of a study (Schindler, 2018). The target population of the

study was the staff working at the National Transport and Safety Authority (NTSA). According to Deloitte (2019) the organization has 923 employees working within Nairobi County. The target population of this study was all the 923 members of staff comprising managers, financial officers, procurement officers, logistics officers and operational officers in NTSA headquarters in Nairobi. In this study, the researcher used the stratified random sampling method to select 10% of the target population from NTSA as depicted in the table below. This is based on Mugenda and Mugenda (2003) who recommends a sample size of between 10% and 15% based on the size of the population. The study used a sample of 92 respondents.

This study used structured questionnaires for the collection of primary data. The researcher used a drop and pick method. The questionnaires included close-ended and contingency questions that made use of a 5-point Likert scales as the measurement scale. Quantitative techniques was used to analyze the data collected from the respondents. The Statistical Package for Social Scientists (SPSS version 25) was used in the analysis of the quantitative data and the results were presented using tables. Frequencies, percentages and standard deviation were used to describe the data descriptive statistics. Correlation and regression analysis was used by the researcher for correlation analysis and to determine the relationship between the research variables. The overall model can be represented as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon.$$

Where

Y=Performance of the Organization.

$X_1$ = Supplier Management

$X_2$ = Technology Utilization

$X_3$ =Organization Capacity

$\beta_0$, $\beta_1$, $\beta_2$ $\beta_3$ and, $\beta_4$ Beta coefficients.

Analyzed data was then presented in form of charts, tables and graphs. The marginal changes were interpreted.

## DATA ANALYSIS AND PRESENTATION OF RESEARCH FINDINGS

The study distributed 92 copies of the questionnaire to NTSA operating within Nairobi City County, 61 copies were accurately filled. The response rate in this study was 66% which can be said to be significant to give reliable data for the study. The respondents were mostly female whose composition was 65% and the rest were male. A majority of the respondents at 62.5% possess Bachelor Degrees while 32.5% possess Masters Degrees, leaving the minority 5% who hold post-secondary school diplomas. Respondents in the procurement section made up 25% of the respondents, while those in the Finance and accounts were at 27.5%. The human resource departments made up 17.5% of the respondents while those in enforcement made up 20% while those in operations were at 10% within the NTSA.

## Ratings of Supplier Management

The findings indicated that most of the respondents who participated in this study agreed that their organization had a list of pre-qualified suppliers who are reliable. This variable for the supplier management that stood out across all the surveyed employees of NTSA with the closest mean to 5 points out of maximum five points (M=3.88, SD=1.20). The results in this scale imply that, the respondents agreed to a great extent that NTSA is utilizing the strategic procurement practices the findings of which are presented in the table 1cbelow.

**Table 1: Ratings of Supplier Management**

| | SD | D | N | A | SA | Mean | Std Dev |
|---|---|---|---|---|---|---|---|
| Supplier Management | | | | | | | |
| The organization has a list of pre- qualified suppliers who are reliable. | 4.6% | 2.2% | 13.0% | 60.2% | 20.0% | 3.88 | 1.20 |
| Suppliers are engaged through capacity buildings and collaborations to improve product design and quality of products | 1.6% | 7.5% | 23.3% | 52.2% | 15.4% | 3.58 | 1.35 |
| The organization has a process to ensure effective feedback, consultation and/or dialogue with suppliers. | 2.6% | 7.8% | 58.6% | 18.2% | 12.2% | 3.27 | 1.36 |
| Suppliers are trained on the importance of company values and rules of conduct with regard to social, environmental and economic goals | 1.8% | 5.4% | 69.4% | 14.2% | 9.2% | 3.32 | 1.26 |
| Am incorporated in the decision of a supplier award whose output affects my departments deliverables | 3.2% | 6.4% | 8.4% | 59.2% | 22.8% | 3.26 | 1.28 |
| Overall mean and Standard deviation | | | | | | 3.46 | 1.29 |

## Correlations Analysis

Correlation analysis was done to determine the strength and direction of relationship/ association between supplier management and organizational performance among the employees of NTSA. The findings in Table 2 indicated a statistically strong association between supplier management and organizational performance, r (61) = 0.6477, p<.01.

**Table 2: Correlation between Supplier Management and Organizational Performance**

| Variables | | Organizational Performance | Supplier management |
|---|---|---|---|
| **Organizational Performance** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 1.000 | |
| **Supplier Management** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 0.6477<br>(0.000) | 1.000 |

## Linear Regression Analysis

This study made use a linear regression analysis as to establish how organizational performance is influenced by supplier management. This section presents the findings of linear regression analysis in terms of model summary, ANOVA as well as the coefficient table.

## Model Summary

Table 3 presents the model summary for the regression analysis of supplier management and organizational performance. The findings of the model summary indicate that supplier management variable explained about 90.3% of the variability in the organizational performance ($R^2$ = .903).

**Table 3: Model Summary for Linear Relationship between Supplier Management and Organizational Performance**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .955[a] | .912 | .903 | .321 |

a.Predictor :( Constant), Supplier Management

## Regression Analysis

The F statistics shown in Table 4 shows that there was a significant linear relationship between supplier management and organizational performance (F (1, 61) = 8.262, p<.05).

**Table 4: ANOVA for Linear Relationship between Supplier Management and Organizational Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 2.736 | 1 | 2.736 | 8.262 | .005b |
| | Residual | 21.852 | 60 | .331 | | |
| | Total | 24.588 | 61 | | | |

a. Predictor :( Constant), Supplier Management

## Regression Coefficients

The regression coefficients presented in Table 5 indicates that supplier management can significantly influence organizational performance of public organizations
($\beta$ =0.196, $t$ = 2.874, $p$<.05).

**Table 5: Regression Coefficient for Linear Relationship between supplier management and organizational performance**

| Model | Unstandardized Coefficients | | Standardized coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std.Error | Beta | | |
| 1 (Constant) | 2.613 | .248 | | 10.539 | .000 |

| | | | | | |
|---|---|---|---|---|---|
| Supplier Management | .196 | .068 | .334 | 2.874 | .005 |

The estimated regression equation from Table 5 is specified by: Organizational Performance = 2.613 + 0.196 * Supplier Management. The model shows that supplier management variable positively influences the organizational performance that is a unit mean index increase in supplier management applied increases the organizational performance by a positive mean index value of 0.196.

The findings of this study affirm the view held by Smith (2014). Abdollahi, Arvan, &Razmi, (2015) that supplier management is regarded as the cornerstone of successful purchasing and supply management to maintain and enhance the competitive edge in organizations. This section discusses the dimensions of supplier management in terms of supplier selection, supplier development data management and supplier performance management. Suppliers are key stakeholders in any organization and play a key role in organizations attaining or not meeting their set objectives and goals.

## Effect of Technology Utilization Organizational Performance

The study sought to determine the effect of technology utilization on organizational performance. The study conducted descriptive and correlation and linear regression analysis.

## Descriptive Analysis

This section focuses on the effect of technology utilization in procurement practices on organizational performance. Variables with a mean close to 4.0 and above represented agreed and strongly agreed while those with a mean close to 3.0 represented “neutral” and those with a mean of 2.0 and below represented disagreed and strongly disagreed. At the same time, standard deviation was used to indicate the consensus of the respondents. The results are as presented in table 4.10.

## Ratings of Technology Utilisation

The findings from Table 6 indicated that most of the respondents who participated in this study agreed that technology utilization leads to simplification of processes. This variable for the technology utilization that stood out across all the surveyed employees of NTSA with the closest mean to 5 points out of maximum five points (M=3.85, SD=1.2).

**Table 6: Ratings of Technology Utilization**

| **Technology utilisation** | **SD** | **D** | **N** | **A** | **SA** | **Mean** | **Std-Dev** |
|---|---|---|---|---|---|---|---|
| The organization has in place an appropriate form of E-procurement process to automate the procurement process | 3.4% | 5.5% | 19.5% | 58.2% | 13.4% | **3.48** | **1.13** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Technology utilization in the procurement process increases efficiency of the organization as a whole | 3.2% | 5.3% | 18.9% | 61.5% | 11.1% | **3.34** | **1.12** |
| Technology utilization leads to simplification of processes | 2.6% | 8.2% | 66.6% | 13.8% | 8.8% | **3.85** | **1.20** |
| E-procurement system is well integrated | 3.0% | 6.8% | 49.0% | 28.6% | 12.6% | **3.66** | **1.06** |
| With other systems in operation | | | | | | | |
| Technology utilization in the procurement process is vital in data management | 2.0% | 6.2% | 19.6% | 58.4% | 13.8% | **3.74** | **1.21** |
| Over all mean and Standard deviation. | | | | | | **3.614** | **1.144** |

## Correlations Analysis

In this section, correlation was done to determine the strength and direction of association between technology utilization and organizational performance among the employees of NTSA. The findings in Table 7 indicates that there was a statistical and significant strong relationship between technology utilization and organizational performance, (r (61) = 0.6809, p<.01).

**Table 7: Correlation between Technology Utilization and Organizational Performance**

| **Variables** | | **Organizational Performance** | **Technology utilization** |
|---|---|---|---|
| **Organizational Performance** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 1.000 | |
| **Technology Utilization** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 0.6809<br>(0.000) | 1.000 |

## Linear Regression Analysis

Linear regression analysis was conducted to establish the effect of technology utilization on organizational performance in public organizations. This section presents the findings of linear regression analysis in terms of model summary, ANOVA and the coefficient table.

## Model Summary

Table 8 presents the model summary for the regression analysis of technology utilization and organizational performance. The findings of the model summary indicate that technology utilization variable explained about 19.1% of the variability in the organizational performance ($R^2$ = .191).

**Table 8: Model Summary for Linear Relationship between Technology Utilization and Organizational Performance**

| Model | R | R Square | Adjusted R Square | Std.Error of the Estimate |
|---|---|---|---|---|
| 1 | .437[a] | .191 | .179 | .55213 |

a. Predictors: (Constant),Technology Utilization

## Analysis of Variance

The statistics shown in Table 9 indicates that there was a statistical and significant linear relationship between technology utilization and organizational performance (F (1, 61) = 15.350, p<.05).

**Table 9: ANOVA for Linear Relationship between Technology Utilization and Organizational Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 4.679 | 1 | 4.679 | 15.350 | .000[b] |
| | Residual | 19.815 | 60 | .305 | | |
| | Total | 24.494 | 61 | | | |

b. Predictor :( Constant), Technology Utilization

## Regression Coefficients

The regression coefficients presented in Table 10 indicates that technology utilization can statistically and significantly influence organizational performance of public organizations ($\beta = 0.283$, $t = 3.918$, $p<.05$).

**Table 10: Regression Coefficient for Linear Relationship between technology utilization and organizational performance**

| Model | | Unstandardized Coefficients | | Standardized coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std.Error | Beta | | |
| 1 | (Constant) | 2.390 | .240 | | 9.958 | .000 |
| | Technology Utilization | .283 | .072 | .437 | 3.918 | .000 |

The estimated regression equation from Table 10 is specified by: Organizational Performance = 2.390 + 0.283 * Technology Utilization; The model shows that technology utilization variable positively influences the organizational performance, i.e. a unit mean index increase

in technology utilization applied increases the organizational performance by a positive mean index value of 0.283.

The findings of this study are in tandem with the views of (Johnson, Whittington, Scholes, Angwin, & Regner, 2017) Sollish & Semanik (2018) who have pointed out that the management has the responsibility of making decisions on what activities and projects resources was allocated to. In recognizing the importance of an efficient purchase-to-pay process, organizations should adopt strategies and mechanisms to get the greatest benefits from technology by choosing the right fit system and software to begin with (Toktas, Balav, Teoman, &Altunbey, 2014) (Munyao & Moronge (2018) as evident in this study adoption of E-procurement system leads to a positive procurement performance thus influencing positively the overall organization performance. The shift towards strategic sourcing, e-procurement bid and vendor management software save the organization time so that it can focus on organization initiatives and supplier relationships (Nolan, 2018).

## Effect of Organizational Capacity on Organizational Performance

The study sought to determine the effect of organizational capacity on organizational performance. The study conducted descriptive and correlation and linear regression analysis.

## Descriptive Analysis

This section focuses on the effect of organizational capacity on organizational performance. Data was analyzed using descriptive statistics of mean and standard deviation. Variables with a mean close to 4.0 and above represented agreed and strongly agreed while those with a mean close to 3.0 represented "neutral" and those with a mean of 2.0 and below represented disagreed and strongly disagreed. The findings are in Table 11

## Ratings of Organizational Capacity

The findings from Table 11 indicated that most of the respondents who participated in this study agreed that their organization had a distinct procurement function/department in place. Also, this variable for the organizational capacity that stood out across all the surveyed employees of NTSA with the closest mean to 5 points out of maximum five points (M=3.22, SD=1.41).this means that the majority of the respondents were in agreement that organisational capacity has a great influence on organisational performance.

**Table 11: Ratings of Organizational Capacity**

| Organizational Capacity | SD | D | N | A | SA | Mean | Std Dev |
|---|---|---|---|---|---|---|---|
| The organization has a distinct procurement function/department in Place | 5.2% | 8.4% | 8.4% | 57.4% | 20.6% | 3.67 | 1.40 |
| The procurement department inadequately staffed | 4.4% | 9.7% | 11.5% | 59.5% | 14.9% | 3.23 | 1.44 |
| The organization has a procurement policy in place | 3.8% | 10.3% | 10.9% | 63.6% | 11.4% | 3.01 | 1.44 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Procurement is incorporated in the strategic planning process of the Organization | 5.6% | 8.8% | 13.4% | 58.5% | 13.7% | 3.23 | 1.42 |
| The organization has a strategic procurement plan in place | 5.1% | 8.5% | 8.0% | 57.9% | 20.5% | 2.95 | 1.33 |
| **Overall Mean and standard deviation** | | | | | | **3.22** | **1.41** |

## Correlations Analysis

Correlation between organizational capacity and organizational performance was considered. The findings in Table 12 show that there was a statistical and significant strong relationship between organizational capacity and organizational performance, r (61)= 0.90, p<.01).

**Table 12: Correlation between Organizational Capacity and Organizational Performance**

| Variables | | Organizational Performance | Organizational capacity |
|---|---|---|---|
| **Organizational Performance** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 1.000 | |
| **Organizational Capacity** | Pearson Correlation<br>Sig. (2- tailed)<br>n=61 | 0.90<br>(0.001) | 1.000 |

## Linear Regression Analysis

Linear regression analysis was conducted to establish the effect of organizational capacity on organizational performance in public organizations. This section presents the findings of linear regression analysis in terms of model summary, analysis of variance (ANOVA) and the coefficient table.

## Model Summary

Table 13presents the model summary for the regression analysis of organizational capacity and organizational performance. The findings of the model summary indicate that organizational capacity variable explained about 34.9% of the variability in the organizational performance ($R^2$ = .349).

**Table 13: Model Summary for Linear Relationship between Organizational Capacity and Organizational Performance**

| Model | R | R Square | Adjusted R Square | Std.Error of the Estimate |
|---|---|---|---|---|
| 1 | .591[a] | .349 | .339 | .49186 |

a. Predictors: (Constant), Organizational Capacity

## Analysis of variance

The linear regression F statistics shown in Table 14 indicates that there was a statistical and significant linear relationship between organizational capacity and organizational performance (F (1, 61) = 36.462, p<.05).

**Table 14 : ANOVA for Linear Relationship between Organizational Capacity and Organizational Performance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 8.821 | 1 | 8.821 | 36.462 | .000[b] |
| | Residual | 16.451 | 60 | .242 | | |
| | Total | 25.272 | 61 | | | |

b. Predictor :( Constant), Organizational Capacity

### Regression Coefficients

The regression coefficients presented in Table 15 indicates that organizational capacity Can statistically and significantly influence organizational performance of public organizations (β = 0.357, t = 2.874, p<.05).

**Table 15: Regression Coefficient for Linear Relationship between Organizational Capacity and Organizational Performance**

| Model | Unstandardized Coefficients | | Standardized coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std.Error | Beta | | |
| 1 (Constant) | 2.105 | .207 | | 10.188 | .000 |
| Organizational Capacity | .357 | .059 | .591 | 6.038 | .000 |

The estimated regression equation from Table 15 is specified by: Organizational Performance = 2.105 + 0.357* Organizational Capacity. The model shows that organizational capacity variable positively influences the organizational performance, i.e. a unit mean index increase in organizational capacity applied increases the organizational performance by a positive mean index value of 0.357.

The study findings agree with the views of (Ketchen, Crook, & Christopher, 2014). Suvittawatt (2017) points out that procurement represents major part of organization costs, then procurement employees are very important for organizations for their crucial role in financial responsibilities since the procurement tasks directly involve profits and losses of the organizations. Strategic procurement practices not only impact the performance of the procurement department but the overall performance of an organization (Ketchen, Crook, & Craighead, 2014).As the procurement function becomes more sophisticated it evolves from playing a defensive role for instance supporting cost control to actively contributing to value creation and with that places a demand on organizations ensuring they have the right team

with the necessary skills to reap these benefits. The procurement professionals have to improve their procurement knowledge and skills as the business environment has changed and the competition for limited resources is increasing (Spiller, Reinecke, Ungerman, & Teixeira, 2014)

## Organisational performance

The study sought to investigate how different key rewards options affect performance. A Likert scale of 1 to 5 was used such that 1 = Strongly disagree, 2 = disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree.

**Table 16: Organisational Performance**

| Statement | SD | D | N | A | SA | Mean ($\bar{x}$) | Std. Dev. |
|---|---|---|---|---|---|---|---|
| Provision of services has been more efficient in the past one year | 5.2% | 8.4% | 8.4% | 57.4% | 20.6% | 3.64 | 1.724 |
| Quality of our products have improved in the past one year | 4.4% | 9.7% | 11.5% | 59.5% | 14.9% | 3.75 | 0.826 |
| Customer satisfaction level is high | 3.8% | 10.3% | 10.9% | 63.6% | 11.4% | 3.86 | 0.835 |
| Maintenance cost has been minimized | 5.6% | 8.8% | 13.4% | 58.5% | 13.7% | 3.66 | 1.782 |
| **Composite Mean** | | | | | | **3.72** | **1.291** |

The study findings on table 16 shows that participants agreed that provision of services has been more efficient in the past one year with a mean score of 3.64. Followed by 3.75that in the organization, the quality of products has been improved while at a mean of 3.86 the level of customer satisfaction is high and at a mean of 3.72 maintenance of costs has greatly been minimized.

## Correlation Analysis

The study sought to find out the relationship between the independent variables: supplier management, technology utilisation and organisational capacity and the dependent variable: Performance of NTSA. Pearson correlation analysis was performed to examine the statistical linear relationship between supplier management, technology utilisation and organisational capacity and the performance of NTSA and below are the findings.

**Table 17: Summary table for Pearson Correlation between the independent and depend variables**

| | | | Supplier management | Technology utilisation | Organisation-al capacity | Utilisation of strategic plans | Performance of NTSA |
|---|---|---|---|---|---|---|---|
| (1) | Supplier management | Pearson Correlation<br>Sig. (2-tailed) | 1 | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | N | 61 | | | | |
| (2) | Technology utilisation | Pearson Correlation | .554** | 1 | | | |
| | | Sig. (2-tailed) | .000 | | | | |
| | | N | 61 | 61 | | | |
| (3) | Organisational capacity | Pearson Correlation | .087 | .438** | 1 | | |
| | | Sig. (2-tailed) | .595 | .005 | | | |
| | | N | 61 | 61 | 61 | | |
| (4) | Utilisation of strategic plans | Pearson Correlation | -.143 | -.179 | -.099 | 1 | |
| | | Sig. (2-tailed) | .379 | .270 | .545 | | |
| | | N | 61 | 61 | 61 | 61 | |
| (5) | Performance of NTSA | Pearson Correlation | -.231 | .022 | -.118 | -.139 | 1 |
| | | Sig. (2-tailed) | .152 | .892 | .470 | .393 | |
| | | N | 61 | 61 | 61 | 61 | 61 |

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

Source: Author 2020

The results in table 17 above indicate moderate a negative correlation between supplier management, Technology utilisation, and organisation capacity, utilisation of strategic plans and Performance of NTSA in Kenya, with r values of 0.231, 0.118 and 0.139 respectively. This means that an increase in supplier management, organisational capacity and strategic management utilisation in the portfolio will positively affect the Performance of NTSA. However, the correlation is not statistically significant since the p value is greater than 0.05. ,This model can therefore be said to be a poor predictor of how independent and dependent variables relate as the levels of significance (P-values) are not within the prism of the acceptable level of $p<0.05$. The study also found a slight positive correlation between technology utilisation and Performance of NTSA, with an r value of 0.022. The correlation is also not statistically significant as $0.892>0.05$.

The findings of this study agrees with Odero (2014) who found that there exists a relationship between strategic management and operational efficiency of firms. Lindsay argues that all the strategic management decisions are aimed at transforming the operations of organizations and this consequently improves the operational efficiency of the organization. Strategic management decisions that promote efficiency tend to be aimed at reducing the use of resources through maximizing return. Any action taken to reduce inventory waste, for example, would be a strategic management decision aimed at greater efficiency. Efforts to increase productivity would be included in this category. Another strategic management decision that would be efficiency-oriented would be having executives share an executive assistant, rather than hiring executive assistants for each executive.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

The first research question of this study was to determine the effect of supplier management on organizational performance in public organizations. The correlation findings showed positive association between supplier management and organizational performance. The

study concludes that the existence of a pre-qualified list of suppliers who are reliable had the greatest effect on operational performance with a mean of 3.88

The second research question of this study was to determine the effect of technology utilization on organizational performance in public organizations. A positive relationship was found between technology utilization and organizational performance. The study concludes that technology utilization leads to simplification of processes at a mean of 3.85. Therefore training of the NTSA employees on the e-procurement process in place positively contribute to organizational performance.

The third research question of the study was to determine the effect of organizational capacity on organizational performance in public organizations. The study concluded that organizational capacity had a distinct procurement function/department in place and that it's structure supports the implementation of strategic procurement contributed to organizational performance.

## Recommendations

Supplier management has been shown to be an important and critical aspect for the sustainable success of any organization and more recent researchers have also considered it as providing a shared vision that focuses everyone in an organization on product, production and quality improvements that are required both by the market and the need for firms to survive (Odera 2014). This recommendation is based on the finding that supplier management has a positive and significant effect on organizational performance. Maintaining good supplier buyer relationships should thus be regarded not just as procurement action but rather as a strategy with the purpose of achieving enduring beneficial buyer–supplier relationships for such organizations as NTSA.

In this quickly changing world, technological companies are hardly competing with each other in order to attain a competitive advantage which makes them differentiate others and obtain a good position or higher performance. The study suggest that there is need for both top managers and other senior managers in firms such as NTSA to invest in research and development (R&D) not only to pursue directly new process and product innovation, but also to increase local as well as imported technology and accomplish the trajectory shifts. The suggestions are based on the finding that technology utilization relates with organizational performance positively. In this regard, public organizations have to embrace technological advancement so as to enhance experiential learning as a strategy for continuing personnel development.

The aim of capacity development is to improve the potential performance of the organization as reflected in its resources and its management. NTSA in this case need to distinguish between the capacities that it needs to carry out its day-to-day activities (operational capacities) and the capacities needed for the organization to learn and change in response to changing circumstances (adaptive capacities). It's evident that an organization is strong to the

extent that it taps the capacities of its individual members, shares them with others, assimilates them, and institutionalizes them. If NTSA and other public organizations embrace that, then it can withstand high rates of staff turnover much more effectively than weaker organizations that fail to internalize and institutionalize their members' capacities.

## Recommendations for Further Research

The purpose of the study was to examine the effect of strategic procurement practices on organizational performance in public organizations. The scope of the study was limited to NTSA. The study measured the effect of supplier management, technology utilization and organizational capacity as dimensions of strategic procurement. As this was a case study, further study is required focusing on other public institutions for generalizability and comparative analysis. Similar studies should also be conducted to focus on private institutions particularly Small and Medium sized organizations an area not much research has focused on.

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