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STRATEGIC PROCUREMENT PRACTICES AND PERFORMANCE OF STATE CORPORATIONS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

The purpose of this study was to examine the effect of strategic procurement practices—specifically procurement need analysis and procurement contract award—on the performance of state corporations in Nairobi City County, Kenya. The study adopted a descriptive research design. The target population comprised 2,142 employees from state corporations in Nairobi City County, from which a sample of 337 respondents was selected through proportionate stratified random sampling. Data were collected using self-administered questionnaires based on a five-point Likert scale. A pilot test established acceptable reliability ($\alpha > 0.70$) and content validity (CVI > 0.50). Data were analyzed using SPSS version 28 and results presented using tables and figures. The findings indicated that a unit increase in procurement need analysis was associated with a 0.4213 improvement in performance of state corporations, holding other factors constant. Additionally, a unit increase in procurement contract award practices contributed a 0.354 increase in performance. The study concludes that both procurement need analysis and procurement contract award significantly enhance the performance of state corporations in Nairobi City County. It recommends that state corporations strengthen their procurement need identification processes and adopt transparent, timely, and objective contract award procedures to realize improved performance outcomes.

Key Words: Strategic Procurement Practices, Procurement Need Analysis, Procurement Contract Award, Performance of State Corporations, Nairobi City County, Kenya

Background of the Study

Over the past two decades, supply chain management (SCM), emphasizing the interdependence of buyer and supplier firms working collaboratively to improve the performance of the entire supply, has generated extensive interest in both academic and practitioner communities. Supply chain management is an integrated approach beginning with planning and control of materials, logistics, services, and information stream from suppliers to manufacturers or service providers to the end client; it represents a most important change in business management practices. It is one of the most effective ways for firms to improve their performance. SCM includes a set of approaches and practices to effectively integrate suppliers, manufacturers, distributors and customers for improving the long-term performance of the individual firms and the supply chain as a whole in a cohesive and high-performing business mode (Wambui & Barasa, 2024).

Efficient supply chain management improves costs and product quality and enables rapid response to market changes and customer needs. Efficient, well-managed sourcing improves responsiveness and operational flexibility, while reducing costs and associated risks. An efficient supply chain optimizes internal processes such as inventory management and production planning. This helps to minimize the costs and lead times associated with these activities (Madhani, 2019). In addition, good inventory management prevents stock-outs, which can damage the company's reputation and lead to lost sales. A high-performance supply chain fosters collaboration between different stakeholders, such as suppliers, logistics providers and customers. This enables better coordination of information and goods flows, leading to greater efficiency and improved customer satisfaction (Kansime, 2022). Performance of state corporations also contributes to a company's resilience in the face of market fluctuations and unforeseen events. A flexible, adaptable supply chain makes it easier to anticipate and manage crisis situations, such as raw material shortages or logistical disruptions (Scholten, Stevenson & van Donk, 2020).

The supply chain encompasses all activities involved in the production and distribution of goods and services, from raw materials management to manufacturing processes, storage, logistics and delivery (Nagy-Bota & Moldovan, 2022). Zhang and Okoroafo, (2015) define Performance of state corporations as the organization’s ability to lower cost of logistics by delivering the right product at the right place at the right time. State corporationsthat master the performance of their supply chain enjoy a competitive advantage and can respond more effectively to ever-changing demand (Chen, 2019). Every business has its own set of measurements for tracking performance of state corporations. However, the five most common measures according to Azhagan (2019) are perfect order rate, supply chain costs, order fill rate, cash-to-cash cycle time, and inventory turnover.

The need to have a reliable procurement process has been a growing concern for many institutions (Moshtariet & Asadkhani, 2021). This is because the quality and cost incurred to bring products and services into the organization is vital to dictating the viability of the operations. Therefore, institutions have desired to have clear procedures they could rely on, to identify the purchase demands, suppliers, delivery, and monitoring of the acquired products. This improves the performance since quality products are channeled to the desired purpose on time. Notably, strategic procurement practices improve efficiency, reduce supplier-related failures to deliver, and enhance supply chain resiliency (Odon’s & Kazungu, 2023).

Giunipero and Sawchuck (2013) observed that procurement involves the measures adopted by the purchasing organization to incorporate supply chain so as to reduce on costs and time and increase the output. Strategic procurement is the process of creating alignment and consistency of action that establishes the long-range objectives and overall strategy or course of action by which procurement function fulfills its mission. Strategic procurement entails the transformation of an organization’s mission, goals, and objectives into measurable activities to be used to plan, budget and manage the procurement functions (Munir, Mahmood, Shafqat & Ghaffar, 2023). Fantazy and Mukerji (2021) opined that strategic procurement 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. Procurement encompasses the whole process of acquiring property and services. possible total cost of ownership, in the right quality and quantity, at the right time, in the right place, and from the right source for the direct benefit or use by corporations, individuals, or even governments. This is done in order to obtain the goods and services at the lowest possible total cost of ownership (Casimir, 2020).

Andreasen (2019) indicated that execution of the strategic procurement practices has been proven to be rather involving since procurement procedures are multifaceted, bearing that they entail the achievement of a sequence of tasks that intersect both functional borders and institutional ones. According to Singh and Chan (2022), the adoption of procurement best practices is a departure from conventional procurement procedures and must be approached from a value opportunity rather than a process perspective.

Statement of the Problem

The researcher explored on the areas of non-performance of state corporations in Kenya, because of strategic procurement practices. Bearing in mind that State owned enterprises account for 20% and 5% of global investments and total employment respectively and up to 40% of total output in some countries (Waweru, 2022). While Kenyan State Corporations are established and regulated under the State Corporation's Act of the laws of Kenya. According to Ongeri and Osoro (2021), they are a body corporate established by an Act of parliament, or other written law, where whole or majority share is owned by the government or another state corporation. They are funded by the national government, but they are not performing (Echongu, 2023). Kenyan State Corporations are classified into eight core functional categories, namely financial, commercial/manufacturing, regulatory, public universities, training and research, service, regional development and tertiary education and training. State Corporations seek to meet the country's increasing economic and social goals (Waweru, 2022). Kenya has over 280 state corporations, which are a key driver of the country's economy. Many of these corporations are based in Nairobi city county, Kenya. The corporations that operate or have offices in Nairobi County are 178.

The performance of state corporations gives different types of services/ products forcing it to be much careful in storage hence increased performance. Over the past years, performance of State Corporations in Nairobi City County, Kenya have experienced a lot of challenges while trying to carry out its planning scheduled and alignment of controlling the whole processes for customer satisfaction. This could be partly attributed to challenging strategic procurement practices in place. Ezhilmathi et.al (2017), says that, manufacturing firms experiences frequent complaints from citizen and donor countries after releasing fund and auditing the same. In a report on audited accounts tabled in Parliament in 2021, the state corporations of liabilities for 2020/21 outweighed assets at Sh276.85 million against Sh137.68 million respectively. This translated to a negative working capital of Sh139.17 million. For example, National Oil, which was declared insolvent, increased its losses to Sh4.03 billion during the financial year to June 2021, up from Sh3.06 billion booked in the previous year. According to Rakesh Nayak et.al (2016), he observed that previous researchers in the Kenyan context have not fully covered strategic procurement practices on performance of state corporations specifically, hence leaving a research gap. Therefore, this study was done in the Kenyan context to bridge the existing research gap.

General Objective

The general objective was to establish the relationship between strategic procurement practices and performance of state corporations in Nairobi City County, Kenya.

Specific Objective

i. To determine the effect of procurement need analysis on performance of state corporations in Nairobi City County, Kenya.

ii. To evaluate the effect of procurement contract award on performance of state corporations in Nairobi City County, Kenya.

LITERATURE REVIEW

Theoretical Framework

Transaction Cost Economics Theory

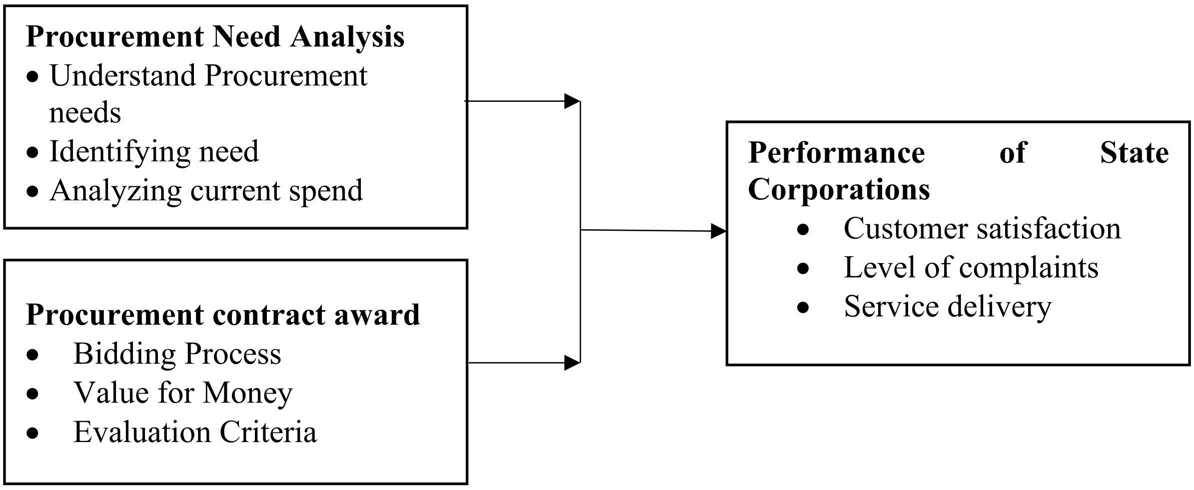
The Transaction Cost Economics theory was proposed by Ronald Coase in his 1937. The transaction cost theory is relevant in explaining and understanding why certain tasks are executed by firms while others are performed by markets. The transaction cost theory offers an explanation on why State Corporation exist, and why they expand or source activities out to the external environment (Shook, Adams, Ketchen, & Craighead, 2009). The transaction cost theory asserts that organizations work to reduce the costs of exchanging resources with the environment, and minimize the bureaucratic costs of exchanges within them. Organizations are, therefore, weighing the costs of exchanging resources with the environment against the bureaucratic costs of performing activities in- house (Business Mate, 2010). The transaction cost denotes the costs involved in offering goods or services through the market rather than having it provided from within the firm. Specifically, these costs are those related to bargaining and decision costs; search and information costs; and policing and enforcement costs (Watkins, 2016; Cordella, 2001).

The transaction costs are largely attributed to the uncertainties' and complexities that characterizes the economic systems, and which could be brought about by the environmental, human behaviour and unpredictable events. The disparity in the distribution of the requisite information among the players affects their efficiency and consequently the transaction costs. The active use of the information and communication has greatly contributed to the reduction of transactions costs (Toyama, 2007). Cordella (2001) and Toyama (2007) noted that the adoption and use of the information technology in business processes can result in the reduction of transaction costs. By examining the costs of managing supplier relationships, Transaction Cost Economics (TCE) is applied to strategic procurement practices. It assists businesses in selecting the best sourcing strategy based on variables such as asset specificity, uncertainty, and transaction frequency. The ultimate goal is to minimize transaction costs and maximize procurement process efficiency by choosing the best governance structure (such as long-term contracts or vertical integration) based on the particular transaction characteristics involved (Shook et al., 2009).

The study will inform strategic procurement practices. Transaction Cost Economics (TCE) helps strategic procurement by guiding the decision-making process for sourcing strategies, supplier selection, and governance structure choices. By understanding transaction costs, procurement can minimize inefficiencies and optimize supply chain management. TCE helps in determining whether to make a good or service internally or buy it from external suppliers, considering factors like asset specificity, uncertainty, and frequency of transactions.

Conceptual Framework

A conceptual framework refers to a combination of broad concepts and philosophies outsourced from pertinent fields of survey and applied in the structuring of a subsequent presentation (Van der Waldt, 2020). Below is a representation of the variables for exploration by this study figuratively.



Independent Variables **Dependent Variable**

Figure 2. 1: Conceptual Framework

Procurement Need Analysis

Procurement need analysis in procurement involves a proactive, comprehensive approach to understanding and aligning procurement activities with an organization's overall business goals, ensuring that purchases are relevant, effective, and contribute to long-term value. Conducting a thorough analysis of spending patterns allows businesses to identify opportunities for cost savings and efficiency improvements. Businesses may improve their procurement operations, expedite procedures, and make well-informed decisions that result in cost savings and value generation by using data analytics. Key Elements of Strategic Need Analysis Understanding Business Needs: Stakeholder Engagement: Involve key stakeholders (internal departments, customers, etc.) to understand their needs and expectations. Spend Analysis: Analyze spending data to identify patterns, opportunities for cost savings, and areas for improvement. Market Research: Assess the supplier market, identify potential suppliers, and understand market trends and dynamics (Faheem & Siddiqui, 2019).

Risk Assessment: Identify and assess potential risks associated with suppliers, contracts, and supply chains. Developing a Procurement Strategy: Define Procurement Objectives: Set clear and measurable objectives for the procurement function, aligned with the overall business strategy. Category Management: Categorize spend items based on their strategic importance and develop specific sourcing strategies for each category. Supplier Relationship Management: Develop and maintain strong relationships with key suppliers, focusing on collaboration and mutual benefit. Contract Negotiation: Negotiate favorable contract terms and conditions with suppliers, ensuring that they meet the organization's needs and expectations (Faheem & Siddiqui, 2019). Implementation and Monitoring: Process Optimization: Streamline procurement processes to improve efficiency and reduce costs. Performance Measurement: Track and measure the performance of the procurement function against pre-defined objectives. Continuous Improvement: Regularly review and refine the procurement strategy based on performance data and changing business needs. Benefits of Strategic Procurement: Cost Reduction: Identify and implement cost-saving opportunities throughout the procurement process. Improved Quality: Ensure that purchased goods and services meet the organization's quality standards. Enhanced Supplier Relationships: Build strong and collaborative relationships with key suppliers.

Reduced Risk: Identify and mitigate potential risks associated with suppliers and supply chains. Increased Efficiency: Streamline procurement processes to improve efficiency and reduce costs. Competitive Advantage: Achieve a competitive advantage by leveraging the power of procurement to drive innovation and create value. Strategic sourcing is a process that helps businesses select suppliers and optimize purchasing. In addition, it is a systematic and fact-based approach for optimizing an organization's supply base and improving the overall value proposition. It stretches beyond supplier price negotiation and focuses on the total cost of ownership (TCO) incorporating customer needs, organizational goals, and market conditions and getting the best product/service at the best value driven by a rigorous and collaborative approach (Munyi, Namusonge, & Simiyu, 2020).

Procurement contract award

Procurement contract award in procurement involves formal process of selecting and officially assigning a contract to a supplier or service provider after a thorough evaluation of bids or projects, in alignment with the organization’s long-term objectives and value-driven procurement strategy (Faheem & Siddiqui, 2019). It also involves a series of structured steps that ensure the right supplier is selected and formally engaged to deliver goods, services, or works in alignment with an organization’s strategic objectives (Mwendwa, & Ochiri, 2019).

Key Aspects of Procurement Contract award in Procurement: Strategic Alignment: ensure the selection of the most suitable supplier while supporting the organization’s long-term objectives. First and foremost, the process must be grounded in transparency and fairness. All suppliers should be evaluated based on clearly defined and consistently applied criteria, fostering trust and integrity throughout the process. This is especially important in strategic procurement, where relationships and reputations are long-term considerations. The evaluation phase plays a critical role. Rather than focusing solely on price, projects are assessed based on a range of strategic factors—such as total cost of ownership, quality, supplier capability, innovation, sustainability, and alignment with business goals. This holistic view ensures that the chosen supplier offers the best overall value to the organization.

Once a preferred supplier is identified, negotiation and clarification may take place to finalize the contract terms. This includes discussions around scope, deliverables, timelines, performance standards, and any penalties or incentives tied to performance. The goal is to ensure mutual understanding and agreement before moving forward. Following successful negotiations, the contract is formally awarded and signed, making it a legally binding agreement between the organization and the supplier. At this stage, both parties commit to fulfilling their obligations under the agreed terms. An essential part of the contract award process is communication. The successful supplier is notified officially, and the organization may also communicate with unsuccessful bidders, often providing feedback or debriefs to support transparency and future improvement. Proper documentation and record-keeping are also vital. A thorough audit trail not only supports internal governance but also ensures compliance with legal and regulatory requirements.

Finally, once the contract is awarded, there is a transition to implementation and contract management. This ensures that the agreed terms are monitored and enforced, and that the relationship with the supplier is actively managed to deliver strategic value over the contract’s lifecycle (Echongu, 2023). Successful procurement contract award improves procurement performance of an organization by providing for timely service delivery, achieving value for money, ensuring supplier responsiveness, cooperation and efficiency (Ogembo & Muturi, 2019).

Empirical Review

Procurement Need Analysis and Performance of State Corporations

Yildiz Çankaya (2020) focused on the effects of procurement sourcing on supply chain strategies. A proposed research model and hypotheses are tested by using cross-sectional email survey data collected from the manufacturing firms operating in Turkey. SS is conceptualized as a second-order factor. Structural equation modeling is used to test the proposed hypotheses. This study reached the conclusion that SS affects LSC and ASC strategies positively. Additionally, it is seen that these concepts are effective in improvement of competitive performance. Frederico, Kumar and Garza-Reyes (2021) focused on impact of the strategic sourcing process on the supply chain response to the COVID-19 effects. The study follows a survey-based approach for data collection. It uses a descriptive survey methodology where questions related to the impact of the procurement sourcing process on the supply chain response in the face of the coronavirus pandemic were explored by practitioners. In total, 130 valid responses were obtained. The results showed that the majority of respondents agreed or strongly agreed that strategic sourcing positively impacts the supply chain response amid the COVID-19 effects. Also, for the five phases of the strategic sourcing process, the majority of respondents considered them as a high and very high impact on the supply chain response (Echongu, 2023).

Zerihun and Wondemalem (2022) focused on the effects of procurement sourcing on organization performance in Ethiopia. This study employed an explanatory research design with a quantitative approach. The study target population of ECWC is 105, with elements chosen using a census technique. A questionnaire was used as the primary data collection tool. The study's findings suggest that strategic sourcing supplier selection, buyer-supplier relationship, and strategic contract management have a significant and positive effect on organizational performance. In addition, supplier selection, strategic relationships and strategic contract management practices have to be given by the practitioners as they significantly affect the performance of construction state corporationsin Ethiopia.

Oloitiptip (2023) focused on procurement sourcing process and performance of selected cement Manufacturing State corporationsin Kenya. Specifically, the study sought to assess how organizational policy affects performance of selected cement manufacturing state corporationsin Kenya, to establish how supplier relationship management affects performance of selected cement manufacturing state corporationsin Kenya. This study used descriptive research design. The study's target population includes the 504 employees working in cement manufacturing firms in Kenya. The study concludes that organizational policy has a positive and significant effect on performance of selected cement manufacturing state corporationsin Kenya (Echongu, 2023). In addition, the study concludes that supplier relationship management has a positive and significant effect on performance of selected cement manufacturing state corporationsin Kenya.

Munyi, Namusonge and Simiyu (2020) focused on strategic sourcing as a tool for improving Firm's performance. A cross-sectional approach was adopted with primary data collected. The data yielded a response rate of 375 from electricity firms in Kenya. The data collected were put through rigorous statistical analysis to test content validity as well as reliability. Further, simple linear regression model was used to test relationships between procurement sourcing and firm's performance. The finding suggests that a successful implementation of strategic sourcing improves firm's performance through adoption of multiple sourcing strategies as well as maintaining manageable supply base. Further, the paper reveals that wrong choice of suppliers can negatively compromise the quality of products and services of the firm.

Procurement Contract Award and Performance of State Corporations

Rashid Issa, (2019) focused on procurement contract award and performance characteristics in Indonesia. A questionnaire is developed through some selected factors and distributed among various respondents, dealing directly or indirectly with the projects. A sample of 70 respondents is finalized with no missing values. Empirical findings suggest that for the firm performance different variables such as nature of the solution, cost & benefit analysis are significantly associated with the contract length. While project delivery and project quality are negatively associated with the contract length (Njoki, Ismail & Osoro, 2021).

Kwamesa, Magutu, Nyamwange, Ongeri, Bosire and Nyaoga (2021) focused on procurement contract award strategies and project performance at Kenya National Highways Authority. The study adopted a descriptive statics. The study adopted use of strategic choice and agency theory. In the research methodology, the study adopted use descriptive statics. The findings from the study revealed that CMS had been implemented in KENHA to a large extent. The study findings revealed positive and significant relationship between CMS and project performance. The research also concludes that 83% of project performance is affected by implementation of CMS at KENHA (Njoki, Ismail & Osoro, 2021).

Kipkemoi and Makori, (2021) focused on the influence of procurement contract award practices on operational performance of State Corporations in Kenya. The study adopted descriptive research design to establish influence of strategic contract management practices on operational performance of state corporations in Kenya. Mixed methods data analysis techniques were employed in this study incorporating both descriptive and inferential data analysis. The study conducted a correlation analysis to establish the strength of the relationship between the independent and the dependent variable. Multiple regressions were done establish the influence of procurement contract award practices on operational performance of state corporations in Kenya. The study also found that the relationship between contract panning and operational performance was significance. The study found that contract administration has a positive effect on operational performance. The study found that contract evaluation has a positive effect on operational performance. The study also found that dispute resolution has positive effect on operational performance. There is need for state corporations in Kenya to have proper contract plans that are in line with the organization objectives (Njoki, Ismail & Osoro, 2021).

Njoki, Ismail and Osoro (2021) focused on effect of procurement contract award on performance of state corporations in Kenya. A descriptive survey research design was employed in the study with the target population of 187 state corporations in Kenya. A sample size of 374 respondents drawn from 187 state corporations in Kenya was surveyed. A structured questionnaire was used to collect the primary data. The data obtained was analysed using descriptive and inferential statistics through SPSS. The findings revealed that procurement contract award significantly influenced the performance of state corporations. It was concluded that procurement contract award was an essential aspect of PPADA compliance that influenced firm performance (Ndiwa, 2022).

Kamau and Mburu (2023) focused on effect of procurement contract award on performance of state corporations among manufacturing firms in Nairobi County, Kenya. The population of the study was manufacturing state corporations which are based in Nairobi, Kenya. Nairobi has 640 manufacturing firms. The study found that pre-contract phase, solicitation, contract execution phase, post award phase influenced performance of state corporations as per correlation analysis. The findings indicted buyer specifications are emphasized at pre-contract stage, the contract is signed at execution stage and deliverable during post ward phase and all the stages are crucial for performance of state corporations at manufacturing firms. The study concludes that manufacturing firms depend highly on the clear contract singing and fulfillment of the contractual obligations by all parties across the phases (Ndiwa, 2022).

RESEARCH METHODOLOGY

The study adopted a descriptive survey design, which enabled systematic description of the effect of strategic procurement practices on the performance of state corporations in Nairobi City County. This design was appropriate because it supports the collection of detailed information from a defined population without manipulating variables, and it facilitates accurate assessment of existing conditions and relationships within the study context.

The study targeted 2,142 management-level staff drawn from state corporations operating in Nairobi City County. These included managers from procurement, finance, administration, and audit departments. The unit of analysis was the state corporations, while the unit of observation comprised the individual managers who provided primary data. A sampling frame listing management staff across the state corporations was developed. Using Yamani's formula at a 95% confidence level and a 0.05 margin of error, a sample size of 337 respondents was determined. The sample represented all functional areas relevant to procurement processes within the corporations. The study employed a stratified random sampling technique to ensure proportional representation of procurement, finance, administration, and audit management staff. Within each stratum, simple random sampling was applied to select respondents, ensuring that every eligible manager had an equal chance of inclusion and improving representativeness of the sample.

Data was collected using a structured questionnaire comprising both open-ended and closed-ended items. The instrument was chosen because it allows efficient data collection from a large sample, supports anonymity, and ensures clarity through standardized questions. A five-point Likert scale was used to measure key constructs related to procurement and performance. Permission to conduct the research was obtained from NACOSTI and the National Treasury and Economic Planning Ministry. Questionnaires were distributed and collected using a drop-and-pick-later method over a three-week period, with extensions provided where necessary to maximize response rates.

A pilot test involving 34 respondents (10% of the sample) was conducted to assess the questionnaire's reliability and validity. Cronbach's Alpha threshold of 0.7 was adopted to evaluate internal consistency. Content and construct validity were ensured through expert review by two procurement and contract management specialists, who assessed the questionnaire for relevance, clarity, and alignment with the study objectives.

Data was cleaned, coded, and analyzed using SPSS Version 28. Descriptive statistics (frequencies, means, and standard deviations) and inferential statistics (correlation and multiple regression analysis) were employed to examine relationships between variables. A significance level of $p = 0.05$ was applied to determine statistical significance.

RESEARCH FINDINGS AND DISCUSSION

Out of 303 questionnaires that were circulated to the respondents, 213 of the respondents dully filled and retuned questionnaires; yielding a response of 70.3%. This was considered to be a very reliable response rate for the generalization of study findings in line with Sharma (2015), states that a response rate of 70% and above is believed to be a reliable response rate. This was less 34 (10%) respondents who were pilot tested.

Descriptive Statistics

Procurement Need Analysis

Respondents were requested to give their responses in regard to Procurement need analysis in a five point Likert sale where SA=Strongly Agree, A=Agree, N= Neutral, D=Disagree, and SD= Strongly Disagree. Results obtained were presented in Table 1 below:

Respondents were requested to give their opinion on the variable Procurement need analysis. From table 4.8, the respondents were unanimous in agreement that Procurement need analysis ensured performance of state corporations in Nairobi City County and periodic review in State corporations in Nairobi City, Kenya viable with agreement of a mean was 3.37, and Standard Deviation of 1.060; Through understanding procurement needs in State corporations in Nairobi

City County the respondents gave neutral response with a mean of 3.533 and Standard Deviation of 0.920; identifying needs has a contribution to the quality and innovation of the procurement need analysis with strongly agree a Mean of 3.903, and Standard Deviation of 0.905;analysing their level of spending in Procurement need analysis in place and maintain procurement the respondents gave a strongly agree with a Mean of 4.061, and Standard Deviation of 0.709; The failure of understanding procurement needs in State corporations in Nairobi City , Kenya affects the performance of state corporations, the respondents disagreed with a Mean of 3.541 and SD=1.201); and Procurement need analysis enhances performance of State corporations in Nairobi City, Kenya, they agreed with a Mean of 3.566, Standard Deviation of 0.805. This finding agrees with the findings of Nyile *et al.* (2022) who observed that clear description of Procurement need analysis, enhance effective performance of State corporations in Nairobi city county, Kenya.

Table 1: Descriptive Statistics on Procurement Need Analysis

Statement	Mean	Std. Dev.
Procurement need analysis ensured performance of state corporations in Nairobi City County	3.37	1.06
Understanding procurement needs ensures better state corporations in Nairobi City County	3.53	.920
Identifying needs for State corporations, in Nairobi City County, they have been able to make decisions on timeliness	3.90	.905
The state corporations in Nairobi City County analyze their current spend on procurement need analysis	4.06	.709
The failure of understanding procurement need affects performance of state corporations in Nairobi City County	3.54	1.201
Procurement need analysis enhances performance of State corporations in Nairobi City county, Kenya.	3.566	.805

Procurement Contract Award

Respondents were asked to give their responses in regard to procurement contract award on performance of State corporations in Nairobi City, Kenya i.e. 5 point likert sale where SA=Strongly Agree, A=Agree, N= Neutral, D=Disagree, and SD= Strongly Disagree. Their responses are presented in table 2 below:

From table 4.11, respondents agreed that procurement contract award ensure performance of state coporations in Nairobi City Nairobi City , Kenya; the respondent gave a Mean of 4.037 and Standard Deviation of.7307; maximizing value on performance of State corporations in Nairobi City County, Kenya, they gave strongly disagree with a Mean of 4.002 and Standard Deviation of .7307; bidding process of procurement contract award can affect performance of Nairobi City in State corporations in county Nairobi City , Kenya; the gave strongly agree with a Mean of 4.206, Standard Deviation of 0.8130; when ensuring compliance systems for a better performance of State corporations in Nairobi City County, Kenya they gave a Mean of 3.950 and Standard Deviation of 0.8360; failure in bidding process to performance of State corporations in Nairobi City County, Kenya ;most of the respondents were neutral with a Mean of 3.925 and Standard Deviation of .7306; and failure to ensure compliance systems can affect performance of state corporations in Nairobi City County; they gave a Mean of 4.104 and Standard Deviation of .7055.

These findings are in line with the findings of Nyile *et al.* (2022) who observed that the characteristic of procurement contract award are the best value reaction to sort out non-performance of, after Procurement contract award, for resolving return on investment. The problem areas giving rise to disputes are mainly related to State corporations in county's matters.

Table 2: Descriptive Statistics on Procurement Contract Award

Statement	Mean	Std. Dev.
Procurement contract award on performance of State corporations in county Nairobi City , Kenya.	4.03	.7307
Maximizing value on performance of State corporations in Nairobi City County	4.00	.7307
Bidding process can affect performance of state corporation Nairobi City County, Kenya	4.20	.8130
Ensuring compliance on performance of state corporation Nairobi City County , Kenya	3.95	.836
failure in bidding process to performance of State corporations in Nairobi City County, Kenya	3.925	.7306
Failure to ensure compliance systems can affect performance of state corporations in Nairobi City County	4.104	.7055

Performance of State Corporations in County

Respondents gave their level of agreement on various statements relating with performance of State corporations in county, Kenya. The results were as presented in Table 3 below:

From the research findings, respondents were in agreement that performance of State Corporations in Nairobi City County, Kenya is being affected by supply chain agility, they gave 73.2%; when asked about customer satisfaction and its effect on performance of State corporations in county Nairobi City , Kenya they gave strongly agree of 70.7 %; When the respondents were asked to show their level of agreement on how less complaints affects performance of State corporations in Nairobi City , Kenya they gave strongly disagreed of 56%; When also the respondents were asked to show their level of agreement on return on investment of the Nairobi City County , Kenya government on performance of State corporations in Nairobi City County, Kenya they agreed of 69.7%; Alternative strategy to contribute to Procurement supplier management on performance of State corporations in Nairobi City County, Kenya they gave neutral of 42.5% and through strategic application, performance is measured by quality, flexibility, Procurement supplier management on performance of State corporations in Nairobi City Conty, Kenya they gave agreed of 74.2%. The outcome is in line with the findings of Mutai and Osoro (2021) they observed that some of the factors that contribute to inefficiency in public procurement as corruption, delayed payments, poor planning, statutory amendments, insufficient use strategicevaluation, low public participation, and improper payment procedures negatively affects performance of State corporations in Nairobi City County, Kenya.

Table 3: Descriptive Statistics on Performance of State Corporations in County

Statements	Yes (%)	No (%)
Customer Satisfaction affects performance of commercial state corporation State corporations in Nairobi City County, Kenya	71	29
Strategic procurement can affects their performance state corporation in Nairobi City County, Kenya	73	27
Access to less complaints can affect performance of State Corporation Nairobi City County, Kenya	44	56
Level of agreement on return on investment of the Nairobi City County, Kenya on performance of State corporations	69	41
State corporations in Nairobi City Conty, Kenya	74	26

Pearson Correlation Analysis

Pearson correlation analysis was conducted to determine the direction and strength of the association between the two independent variables—procurement need analysis and procurement contract award—and the performance of state corporations in Nairobi City County.

Table 4: Correlation Coefficients

		Performance of Nairobi City	Procurement need analysis.	Procurement contract award
Performance Of State corporations in county	Pearson correlation	1		
	Sig. (2-tailed)			
Procurement need analysis	Pearson correlation	.534*	1	
	N.	213*		
	Sig. (2-tailed)	.000		
Procurement contract award.	Pearson correlation	.152*	.240	1
	N	213*	213	
	Sig. (2-tailed)	.000	.035	

The results show that procurement need analysis has a moderate and positive correlation with performance of state corporations (r = 0.534). This indicates that improvements in need analysis processes are associated with better institutional performance. Procurement contract award displays a positive but weaker correlation with performance (r = 0.152). Although weaker, the relationship is statistically significant, implying that transparent and well-managed award procedures still contribute to performance improvement, albeit to a lesser degree. These findings align with literature such as Ongeri and Osoro (2021), who reported that strategic procurement practices generally exhibit significant associations with organizational performance.

Regression Analysis

A multiple regression analysis was carried out to determine the extent to which procurement need analysis and procurement contract award predict the performance of state corporations. Standard assumptions for regression—normality, linearity, and absence of outliers—were verified prior to analysis.

Table 5: Regression Coefficient Results (Refined)

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	–0.130	0.060	—	–1.144	.002
Procurement Need Analysis	0.420	0.132	.555	5.472	.003
Procurement Contract Award	0.354	0.115	.321	2.657	.001

The regression coefficients indicate that: A unit increase in procurement need analysis results in a 0.421 increase in performance of state corporations, holding other factors constant. A unit increase in procurement contract award yields a 0.354 increase in performance, ceteris paribus. Both coefficients are statistically significant at $p < .05$, demonstrating that the two procurement practices are meaningful predictors of organizational performance. The negative constant is not unusual in social science models and simply reflects that, in the absence of the tested procurement practices, the baseline performance would be lower.

The results confirm that procurement need analysis is the stronger predictor of performance, while procurement contract award also contributes positively, though to a lesser degree. Consistent with Ongeri and Osoro (2021), the findings indicate that strengthening these strategic procurement functions is essential for enhancing the performance of state corporations in Nairobi City County

Conclusion

The study concludes that there is a positive relationship between Procurement need analysis and Performance of state corporations in Nairobi City County, Speciation identification, periodic design assessment, continuous improvement and proactive assessment are among the Procurement need analysis factors that significantly influenced the performance of State corporations in Nairobi City County, Kenya. The study further concludes that by implementing Procurement need analysis has enhanced performance of State corporations in Nairobi city county, Kenya, leading to operational increase in efficiency and effectiveness. Therefore, the study concludes that State corporations in Nairobi City County, Kenya have significantly increased their strategic ' quality management and strategic management repetitions.

The research concludes that there is a positive relationship between Procurement contract award and performance of State corporations in Nairobi city County, Kenya. Partnership enforcement policy, collective bargaining, alternative dispute resolution processes, free expression of concerns by involved practices, are among the coordination factors that significantly influenced the performance of State corporations in Nairobi city County, Kenya. It is further concluded that by adopting alternative coordination and partnership mechanisms as it was observed at State corporations in county in the level of performance of state corporations in Nairobi City County Kenya has increased. Therefore, the study concludes that State corporations in Nairobi City County, Kenya have been experiencing significant increase in service delivery through embracing proper coordination in the supply chain procedures.

Recommendations

Procurement Need Analysis

The study recommend that Procurement need analysis formalizes relations between practices within a robust legal framework, but is much more besides; it is an opportunity to define the arrangements that encompass every aspect of what outcomes the State corporations in Nairobi City County, Kenya wants from the strategic and how it wants the relationship to work. This means that the State Corporations in Nairobi City County, Kenya needs to take an active role in the development of the quality mechanism early on; it should not be left as a supplementary activity post negotiation. At preparation of every quality management can contribute to strategic evaluation on performance of State corporations in Nairobi city county, Kenya. Proper Procurement need analysis can result to high procurement in State corporations in Nairobi City county, Kenya.

Procurement Contract Award

This researcher recommends that procurement contract award had a strong relationship with performance of State corporations in Nairobi city county, Kenya. When relationship are not properly managed, they may cause strategic delays, undermine team spirit, increase delay costs, and, above all, damage business relationships. With the increase in the number of participants in a strategic management, it is obvious that more business interactions and arguments end up with an increase in the number of strategic relationship disputes. Research in preventing and resolving relationship disputes supports the effort for better understanding and harmonization of the different cultures. Therefore, this study recommends to the management of State corporations in Nairobi City County, Kenya to enhance and upgrade on the implementation of all applicable alternative disputes resolution mechanisms so to protect relationship with its stakeholders in the strategy procurement protocol.

Areas for Further Studies

This research focused on procurement need analysis, and procurement contract award and performance of State corporations in Nairobi City County, Kenya. The study therefore recommends a further study to be conducted to other counties other than Nairobi City County, Kenya. Then get their findings and compare with this and agree or disagree. The study also recommends replication of the study in other sectors such as sub county sector and public sector to allow comparison of research findings. Future researchers can investigate the factors affecting strategy best practices broadly in all areas of concern in this profession on performance of state corporations in Nairobi City, Kenya within the adherence of strategic procurement procedures.

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