INFLUENCE OF SUPPLIER SELECTION CRITERIA ON PERFORMANCE OF PUBLIC CORPORATIONS IN KENYA: A CASE OF WATER RESOURCES AUTHORITY

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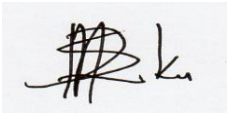
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A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS, COMPUTER, AND COMMUNICATION STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF ST. PAUL'S UNIVERSITY

JUNE, 2021

DECLARATION

This dissertation is my work and has not been presented in any other institution for examination.

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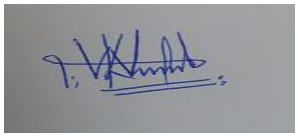
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DEDICATION

I dedicate this work to the Lord God for enabling me to undertake this dissertation without whom I would not have succeeded. Secondly, I dedicate this dissertation to my wife Lilian Mwende who kept on encouraging me and understood my absence from the house during the weekends when I went out to work on the dissertation? Lastly, I dedicate this dissertation to my children who allowed me to be away from them for the period I was busy writing this dissertation.

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ABSTRACT

Supplier selection criteria have in the recent past presented a dilemma in the public and private procurement processes. Water Resource Authority (WRA) as one of the corporations in Kenya has experienced shortfalls in performance amidst the implementation of procurement plans over the past several years. This study aims to establish the influence of supplier selection criteria on the performance of public corporations in Kenya, using the case of the WRA. The specific objectives of the study were: to establish the influence of supplier regulatory compliance assessment on the performance of the WRA, to find out the influence of E-procurement capacity, to determine the influence of supplier quality assurance, and to determine the influence of management capacity on organizational performance of the Water Resources Authority (WRA). The study adopted a descriptive case study design. The study further employed a census survey methodology targeting all the 55 members of the target population which included all the senior WRA departmental heads and other administrative staff. A closed-ended questionnaire was used for primary data collection. The study carried out a pilot test of the study involving 10 research subjects on the research instrument before administering the instrument to the entire study population. The questionnaires were emailed to the respondents through their official emails. The respondents filled and returned the filled questionnaires in the same format. This was because of the COVID 19 situation in Kenya. The data collected were analyzed using SPSS and presented using tables and descriptive statistics. The study findings showed a significant influence of supplier regulation compliance on the performance of the Water Resources Authority. The study also established a significant positive correlation between E-procurement compliance and the performance of the Water Resources Authority. Additionally, the study established that there exited a significant influence of supplier quality assurance and supplier management capacity on the performance of the Water Resources Authority. The significance of the study is that it would inform the WRA's board of management decision-making organs to inform future decisions. Additionally, the knowledge derived would be cascaded downwards to the regional implementing WRA branches for sound supplier selection criteria practices. Furthermore, the study was found to be critical towards enriching the body of knowledge on supplier selection criteria to the Water Resources Authority and Kenyan public Institutions as a source of literature review. This study recommended that the Water Resources Authority should tighten its hold on suppliers to comply fully with public procurement regulations requirements by all its suppliers and that the Water Resources Authority should ensure increased E-procurement capacity of its suppliers for improved performance. Additionally, the study concluded that the WRA should work on subjecting their suppliers to continuous quality assurance checks for increased customer satisfaction and effectiveness. Finally, Water Resource Authority should have a serious requirement on the supplier management capacity as a pre-qualification for selection for improved deliverables on the part of suppliers for improved performance.

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ABBREVIATIONS AND ACRONYMS

PPRA	Public Procurement Regulatory Authority
PPADA	Public Procurement and Asset Disposal Act 2015
WRA	Water Resources Authority
WRMA	Water Resources Management Authority
DTCM	Deputy Technical Coordination Manager
ATCMS	Assistant Technical Coordination Managers
TCM	Technical Coordination Managers
FAM	Finance and Administration Manager
CEO	Chief Executive Officer

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OPERATIONAL DEFINITIONS OF TERMS

Supplier Selection: This means the process of picking potential qualified suppliers during the procurement process (Makori & Muturi, 2018).

Criteria: Means the set standards, benchmarks, and key issues that are used to determine the suitability of the suppliers in light of universal set standards (Kiage, 2016).

E-procurement- This means the use of technological electronic media in procurement practices including determination of the suppliers to be awarded the tenders in public and private business (Ngunyi, 2014).

Regulatory Framework: This is a system of standards involving procedures, processes, and practices that have been approved by the Public Procurement Regulatory Authority and the National Government of Kenya (Maraka & Kibet, 2015).

Management Capacity: This means the supplier's ability to manage the deliverables from a manpower and infrastructure point of view in relation to the delivery workloads from the supply customers (Mwikali & Kavale, 2012).

Quality Assurance Compliance: This is the process of ensuring that supplier business transactions are carried out within universally acceptable standards (Samoei, 2018).

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The procurement profession in Kenya has gone through numerous changes since independence (Kennedy & Kiarie, 2015). Ngunyi (2014) affirms that there exist bottlenecks that impede successful procurement practice in many public sector organizations. Kiage (2016) posits that procurement selection criteria dynamics affect organizational performance hence a key factor of consideration in public procurement practice today. According to Makori and Muturi (2018), the existence of systemic inconsistencies in supplier selection criteria is a recipe for gaps and loopholes for unscrupulous businessmen and organizational staff to be involved in unethical practices. Furthermore, inconsistencies bring about poor service delivery on the part of the institutions and hence a need to stimulate the application of the practices for efficiency (Wachiuri, 2018).

Mwangi and Kwasira (2015) postulate that 60 percent of the revenue of the state in Kenya is expended on procurement for essentials in state departments. Ogohi (2014) postulates that the government of Kenya is a chief buyer of various commodities (services/goods) in the country and hence a major user of supplier selection criteria. The buying is done via several public establishments in every part of the country. As a result, the state has instituted diverse processes and procedures to adhere to while undertaking public procurement (Ogohi, 2014). Willy and Njeru (2014) about the Kenyan procurement practices, states that the constitution of Kenya (2010) has a continuum of

explicit provisions regarding public procurement as outlined in article two hundred and twenty-seven (227). Willy *et al.* (2014) affirm that the Public Procurement and Asset Disposal Act 2015 hastens and streamlines the procurement operations of state corporations by enhancing transparency in the procurement supplier criteria within public domains, ensuring increased accountability and scaling down the wastage of public resources. Since state corporations play a key role in employment creation, value addition, demanding for various services and goods as well as contributing to the national wealth, the procurement mechanism and specifically supplier selection criteria should adhere to the prescribed statutory regulations for effectiveness and efficiency in state corporations (Wachiuri, 2018).

Supplier selection criteria are critical in public organizations because it makes it possible for organizations to carry out the procurement function within standardized selection biases that are meant to ensure efficiency and effectiveness (Ogohi, 2014). Supplier selection criteria further ensure that the interest of the organization is achieved without jeopardizing the interest of the customers and the vendor hence facilitating the improved performance of the organization (Theuri, 2015).

Global procurement practice postulate that with specific reference to France and Germany that supplier selection criteria have been motivated by the desire to solve the gaps and shortcomings arising and existing in supplier selection practices (Thanga & Kwasira, 2016). A study of procurement in public institutions in South Korea suggests that an effective supplier procurement system that relates to the government is imperative

to the well-being of the national economy of a nation as it facilitates the efficient utilization of public resources. (Choi, 2015) .Thanga and Kwasira (2016) point out that poor supplier selection criteria are an impediment to the successful execution of public projects in India and other Asian countries resulting in projects becoming uneconomical due to time and cost overruns and hence negatively affects economic development.

A regional study of Nigerian public enterprises showed flows in supplier selection criteria and confirming the presence of a vital association between supplier selection practices and the performance of the organizational (Ogohi, 2014). This view is augmented by Sunday (2015) who assessed banks in Nigeria have experienced performance bottlenecks created by supplier selection criteria challenges (Sunday, 2015).

In Kenya, supplier selection criteria have been on the spot on many public enterprises as it has been viewed as the biggest challenge in sound procurement implementation. Studies on supplier selection criteria postulate that public organizations have been experiencing supplier selection challenges despite the existence of government regulations to ensure compliance (Onyango & Muturi, 2016). The Public Procurement Regulation Authority (PPRA) in Kenya is a government regulatory body tasked with control and oversight of all public related procurement aimed at bringing about efficiency and effectiveness through standardized supplier selection criteria. Onyango and Muturi (2016) observe that a sound public procurement system is necessary for the economic enhancement of several African countries and is a tangible countenance of their domestic obligations to making the best utilization of state resources.

1.1.1 Supplier Selection Criteria

Supplier selection criteria in this study refer to the set standard protocol used to enable organizations to appraise, identify, and contract with diverse suppliers (Maina & Moronge, 2018). Supplier selection criteria is the set mechanisms used to assess, identify, and contract with suppliers for the supply of good and services in any organization (Willy & Njeru, 2014). Using the selection criteria, purchasers must characterize and gauge the best methods for the purchasing entity, and execute procurement decisions accordingly (Kennedy & Kiarie, 2015). Typically, supplier selection criteria are classified as preliminary qualifications entailing several elements including, financial and other technical qualifications that suppliers should comply with so as they do business with government entities (Murigi, 2018). The preliminary qualification criteria involve assessment of the basic requirement for compliance and range from regulatory compliance which includes firm registration, tax compliance, documentary compliance, and other requisites outlined in tender submission guidelines (Murigi, 2014). To stay afloat in the extremely competitive global economy, it is vital to enhance the prevailing supplier selection criteria to promote improved performance (Murigi, 2014).

Works of literature on supplier selection criteria have illuminated the prospective tenderers' ability to access financing, liquidity, leverage ratio, and working capital ratio (Ogohi, 2014). It helps a procuring entity to engage with vendors that do not pose any financial risks to the loss of public funds (Shiati *et al*., 2012). Technical supplier selection criteria are more focused on the ability to deliver deliverables and exceed the public entity’s expectations concerning various goods/services. They include assessment of a

vendor's historical experiences and performance, technological capability, quality management systems, human resource practices, relationship-building capabilities Supplier selection criteria have become one of the significant subjects in flexibly chain the executives (Ngunyi, 2016).

Ngunyi (2014) postulates that the decisions concerning global supplier selection criteria are complex as a result of manifold criteria that must be taken into consideration in the decision-making process. The multi-criteria approach is also used in selecting suppliers because of the diversity in procurement systems. Onyango and Muturi (2016) point out that one of the key supplier selection criteria are regulation, method of delivering prices, as well as the aspect of quality. In the local context, the procurement mechanisms often are in line with the international standards. This implies that supplier selection criteria elements are less or more compared to those considered by purchasers in different systems (Odhiambo & Theuri, 2015). Studies on supplier selection criteria have identified several critical factors that are critical while undertaking the supplier selection criteria irrespective of the sector the firm is domiciled. These interrelated factors have been used in previous studies in the procurement discipline (Mwikali & Kavale, 2012). This study focuses on supplier selection criteria focusing on regulatory compliance, quality assurance assessment, management capability, and e-procurement capacity.

Onyango and Muturi (2016) opine that the outcome of regulatory compliance is an innate culture of consistency to acquisition guidelines supplier selection and is critical and basic in fixing supplier qualification. In Kenyan procurement practice, Public Procurement Regulation Authority (PPRA) is mandated to coordinate malpractices relating to

procurement within the public sector and channel the suggestions to the Ethics and Anti-Corruption Commission (EACC) for prosecution. Mwikali and Kavale (2012) further content that a definitive worry for choosing providers depends on the fulfillment of the regulatory compliance of suppliers which in the long run improves organizational performance. Maraka and Kibet (2015) postulate that huge benefits usually accrue to organizational buyers when the suppliers are cognizant of what selection practices are necessary to the buyers since it enables them to align their strategies to meet the needs of diverse buyers.

Technological e-processing, another criterion comprises an extensive cross-section of proficiencies that aid partnership, transaction execution, sourcing, and monitoring of performance between an enterprise and its trading associates in the procurement processes (Thanga & Kwasira, 2016). Samoei (2018) further argues that procurement suppliers should be extremely conversant with the e-procurement aspect specifications to enable them secure value for money for their firms.

Wanyoike (2013) suggests that quality assurance assessment measured in the context of quality of product and service durability is a critical component in the supplier selection criteria because it leads to ultimate products lifespan. Odhiambo and Theuri (2015) state that quality is explained regarding the flexibility and simplicity of the operations in a way that improves efficiency and effectiveness in the procurement function. User-friendly products are generally preferred and it is, therefore, necessary to include a manual to ease

the product. E-procurement is a function of technology that enhances corporate buying by the use of the internet (Samoei, 2018).

Maraka and Kibet (2015) postulate that management capacity is the administrative endeavor essential for producing an operating environment in which a business can assimilate its supplier proficiencies into its operational practices. These administrative endeavors can be grouped into several parts, namely; staff development, supplier, management responsibility, and quality measurement techniques.

1.1.2 Organizational Performance

The performance of an organization is understood in light of the organizations' ability to timely and specifically fulfill its mission through elaborate and sound managerial actions and its never-ceasing effort to achieving the set results. Organizational performance is seen from the perspective of delivering products and services within the range of its customer experience, market dynamics, the processes, and financial capability scores of the organization (Willy & Njeru, 2014). The overall performance of an organization determines its survival and that organizational performance is a set of indicators utilized to operationalize both the effectiveness and efficiency of actions (Wanyoike, 2013). The performance was measured in view of the factors selected on supplier selection criteria namely; supplier regulatory compliance, supplier quality assurance assessment and management capability, and e-procurement capacity. This study adopted the balanced scorecard to measure the performance of the variables of the study in the supplier selection criteria (Samoei, 2018).

The performance measurement framework of the balanced scorecard provides managers with sufficient information to address parameters used in the determination of performance. Performance measurement is critical in organizations because it shows the level of accomplishments at any given time (Theuri, 2015).

1.1.3 Water Resources Authority

The Water Resources Authority (WRA) established as a state corporation under Section 11 of the Water Act, 2016 is mandated through delegated Authority on behalf of the National government to safeguard the right to clean water by ensuring that there is proper regulation of the management and use of water resources, to ensure sufficient water for everyone now and in the future. (WRA, 2019).

Water Resources Authority (WRA) has been operational for a long time following its inception as Water Resources Management Authority which was established according to the provision of Section 7 of the Water Act, 2002, Laws of Kenya and was operationalized in July 2005. The Authority's principal mandate under this legislation was the management of water resources in the whole country.

A new statutory regime necessitated by the need to conform to the Constitution of Kenya 2010, international instruments that Kenya has ratified under Article 2(6) of the Constitution as well as Vision 2030 and the Sustainable Development Goals (SDG's); legislation of the Water Act, 2016 was accordingly initiated. This affected a change of the Authority's name from Water Resources Management Authority (WRMA) to Water Resources Authority (WRA).

The command of the WRA in safeguarding the resource is entrenched in the Kenyan's advancement plan, Big 4 development agenda, Vision 2030 strategic objective on water and sanitation, and the SDG 6.

It is worth noting that all these measures are aimed at increasing water resources available not only for multi-purpose use but also to provide the sustainability and quality of water resources within the nation of Kenya.

The Water Resources Authority operates through the Regional Offices established in the six Catchment Areas, namely: Athi, Ewaso Ngiro, Lake Victoria South, Lake Victoria North, Rift Valley, and Tana Catchment Areas. The Catchment Areas have been proposed for gazettement as Basin Areas for purposes of compliance with the provisions of the Water Act, 2016. In addition, the Authority has delineated the six Catchment areas into 26 Sub-Catchment areas which operate as sub-regional offices. The Water Resources Authority partners/collaborates with key stakeholders in integrated water resource management activities to deliver its mandate to the public.

The Water Resources Authority is currently operating within a challenging procurement environment requiring total compliance to regulatory requirements in the procurement process. Additionally, the WRA and other partners are working within an advanced technological era and therefore are required to adjust accordingly to meet current mandatory e-procurement obligations. Furthermore, the issues of quality for sustained efficiency in resources usage, management capability, and stakeholder engagement remain critical areas of concern to facilitate improved performance of the organization. (WRA, 2019).

1.2 Statement of the Problem

A competent, effective, and quality delivering public procurement system is the cog with which a country can spurn poverty and economic degradation, and prop high-quality life for its citizens, faster economic growth and development, and break away from servitude. However, in Kenya, the Institute of Economic Affairs (2018) and the World Bank (2019) reports have pointed at a public procurement system with a worrisome performance in

terms of critical key performance indicators: efficiency, effectiveness, quality, and innovation. Indeed, the poor performance of the public procurement system has been pointed at supplier selection criteria that have been designed devoid of the salient characteristics of world-class supplier assessment and selection criteria (Maina & Moronge, 2018).

In a study on aspects affecting procurement in public institutions in Kenya, Nyaribo, Okung'o, and Muturi (2017) established a noteworthy correlation between supplier selection criteria and organizational performance. The study pointed out that poor supplier selection criterion is a public organizational problem through which public effectiveness and efficiency in resources are abused in Kenya and hence poor performance Cherop *(*2016) found that that supplier selection criteria processes have a positive correlation with organizational performance. Global, regional, and local industry players have further established that supplier selection criterion to facilitate the effective and efficient acquisition of organizational production of goods and services (Ogohi, 2014). An investigation on the effect of procurement procedures on private entities in Kenya established that supply chain operations and strategies have gained recognition as a key engine of propelling organizations towards the achievement of short-term and long-term objectives and hence improved performance (Onyango & Muturi, 2016).

Furthermore, a study in the Kenyan institutional supplier selection criteria found out that the laid down procedures on the premise of the national procurement Act 2016 have been problematic to comply by the suppliers. Makori and Muturi, (2018) found out that, despite the existence of a system that guides the purchases of services and goods, there

still exist problems in the delivery by organizations in terms of goods and services due to lapses in supplier selection criteria. Previous studies in supplier selection criteria have adduced considerable evidence on the presence of multiple challenges leading to unproductive project execution and deliverables within the public domain due to supplier selection deficiencies. For instance, Empirical evidence on various studies concerning supplier selection criteria points out to underperformance is attributable to failure on supplier selection procedural criteria misgivings (Wachiuri, 2018). Odhiambo (2016) established that substantial amounts of resources get wasted as a result of ineffective and inefficient policies and procedures, coupled with supplier selection criterion processes hence poor, or inadequate service or product deliverables, a departure from what is expected from the recipient consumers.

In a study conducted by Cherop (2016) on the procurement process in KenGen electricity, it was established that there was a positive correlation between supplier selection criterion and organizational performance of the power generating company. In a study on supplier selection processes that influence procurement mechanisms in the public sector, Ngunyi (2014) established that substantial portions of discretion without satisfactory measures can generate avenues for corrupt activities as a result of failure in compliance with supplier selection processes. A study by Cherop (2016) established that KenGen failed due to supplier selection criteria compliance pitfalls, further finding the existence of a significant correlation between. It is upon this background that this research was conceived to establish, investigate and determine the relationship between supplier selection criteria from the viewpoint of supplier regulatory, c-procurement,

quality assurance compliances and management capability, and the performance of the Water Resources Authority. This study specifically investigated regulatory compliance assessment, e-procurement capacity, quality assurance compliance, and management capability and how they influence the performance of the Water Resources Authority.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study was to establish the relationship between supplier selection criteria and the performance of public corporations in Kenya using the case of the Water Resources Authority.

1.3.2 Specific Objectives

The specific objectives are to;

i. Determine the influence of regulatory compliance on the performance of the Water Resources Authority.
ii. Establish the effect of e-procurement capacity on the performance of the Water Resources Authority.
iii. Examine the influence of quality assurance systems compliance on the performance of the Water Resources Authority.
iv. Assess the effect of management capability on the performance of the Water Resources Authority.

1.4 Research Questions

i. How does regulatory compliance have a significant influence on the performance of the Water Resources Authority?

ii. How does e-procurement capacity have any influence on the performance of the Water Resources Authority?

iii. Do quality assurance systems have any significant influence on the performance of the Water Resources Authority?

iv. What is the influence of management capability on the performance of the Water Resources Authority.?

1.5 Significance of the Study

The study findings were deemed to be important in that they informed and will continue to inform the body of knowledge on procurement practices as they affect government agencies and other private agencies in realizing the gaps in supplier selection criteria. The findings provide information to future scholars and researchers interested in carrying out research on strategy implementation on other government agencies.

The findings were found critical in assisting the management of the Water Resources Authority to address the key factors that affect the performance of the Water Resources Authority. The study established that supplier selection criteria variables could be replicated for procurement implementation practices in other government agencies and non-profit making enterprises owned by the government of Kenya. The research further

offered suggestions on how to improve procurement practices of the Water Resources management institutions working under the Ministry of Water, Sanitation, and Irrigation

1.6 Scope of the Study

This empirical study dealt with supplier selection criteria factors with a focus on procurement regulation, e-procurement capacity, quality assurance, and management capability, despite there being other supplier selection criteria variables that have the potential to influence the performance of the corporation. The research focussed on studying 55 management cadre staff of the Water Resources Authority in Kenya. The study adopted a descriptive case study methodology. It was not necessary to carry out any sampling procedure because the study targeted all the 55 subjects in the Water Resource Authority.

1.7 Limitation of the Study

One of the limitations of this study was that the members selected for the study had a reservation in providing information required due to fear of how the knowledge collected would be utilized. This limitation was overcome by providing official authorization from St. Paul's university and NACOSTI to carry out data collection and consequent analysis and compilation of the same for purely academic purposes. Furthermore, the population being involved in the study forms the management cadre of the WRA and therefore kind of developing unwillingness to disclose truths about any negative supplier selection criteria that make the agency not perform as expected. This limitation was overcome by

the researcher's ethical consideration disclaimer in the research questionnaire that total confidentiality was to guide the research process.

1.8 Chapter Summary

Chapter one of this study provided the background of the study, stated the problem that was being researched, described the research objectives and the questions, the significance, and also the justification of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This part comprehensively reviews literature. This section presents the theoretical review and empirical review. The chapter summarizes the theoretical analysis of supplier selection criteria hypothesized to have a bearing on the performance of the Water Resources Authority. The specific areas covered here are theoretical works of literature that constitute key strategic theories that form the basis of reference in the study. The second part of this chapter constitute empirical literature review of the study based on the research key variables and their relationship with organizational performance variable and will be represented by a conceptual framework.

2.2 Theoretical Review

The theoretical review sought to bring out the theoretical foundation of the literature being used in the study. The theoretical review brought out specific and relevant theoretical knowledge linking the literature under review to the study. The study used the agency theory, stakeholder theory, theory, and quality improvement theories to anchor the study. These three theories helped to explain the supplier selection criteria in Water Resource Authority, Kenya.

2.2.1 Agency Theory

The agency theory was advanced by Jensen and Mackling (1976) and postulates that an agency relationship is a kind of contract where an individual or more individuals solicit

services of another party, the agent to carry out some tasks on their behalf which comprises entrusting some decision-making mandate to the agent. The twofold parties possess agency relationship when they engage and cooperate in an association where one individual, the principal entrusts decisions and/or work to another individual (agent) to act on its behalf of the owner of a business (Mbuchi & Kwasira, 2016).

The imperative axioms underlying agency theory is that; latent goal-conflict exists between the agents and the principals; individual party gives precedence its self-interest; information asymmetry recurrently exists between agents and principals; agents are normally additionally risk-averse compared to the principal, and proficiency is the efficacy standard. Two probable challenges emanating from these assumptions come up in agency relationships: an agency problem and a risk-sharing problem (Odhiambo & Theuri, 2015). The application of this theory is that as has been built up to explain the divergence in interest of the proprietors of business and the administrators but yet relied upon to produce results in the Water Resource Authority. (Harwood *et al.*, 2016).

The agency theory applies in this research in that the Water Resource Authority is the government agency working on behalf of the Government of Kenya who is the owner of capital. The supplier selection criteria are put in place to reduce the agency problem and hence facilitate increased common good for the populace through the government. The theory further applies in that it seeks to increase efficiency by reducing losses and hence ensuring the owners of a business that their capital and shares in the business are protected.

2.2.2 Stakeholder Theory

This theory was conceived by Freeman (1984) and delineates that a stakeholder like any person, entity, or institution linked with a company and is influenced by the company somehow or in one or another influences the decisive moves and objectives of the said organization. Stakeholder theory postulates that an enterprise is not just liable for its investors' advantages, but also takes care of the premiums of clients, workers, and the neighborhood network (Piacentini *et al*., 2000). Stakeholder theory combines social dynamic issues, financial and moral responsibilities and makes stakeholder expressions beyond financial and legal responsibilities.

This stakeholder theory applies to the current study since one of the stakeholders is the Water Resource Authority and which delegates work to its staff to ensure that the nominated suppliers work in the best interest of the overall public and deliver/supply of goods that create value for money and being mindful of other stakeholders' gains. Furthermore, the theory applies to this study because the supplier selection criteria seek to make sure that the stakeholders in the water sector, namely the Government through the Water Resource Authority, the suppliers who provide the services, and the customers who are the recipients of the services are satisfied as far as their interests are concerned.

The other application of this theory is that the interests of the multiple stakeholders in the water sector must be considered and have a bearing through supplier selection criteria for improved performance of the organization. The stakeholder theory helps put in place decisions befitting stakeholder criteria practices in a manner that recognizes stakeholder interests for improved performance of the organization. The stakeholder theory is closely applicable to the regulatory framework which essentially helps in standardization and

regulation to minimize human biases in the process of supplier selection criteria by way of legal benchmarks and minimum thresholds in the practice.

2.2.3 Quality Improvement Theory

The quality improvement theory was conceived by Deming (1986). This theory suggests that an attribute of quality management dogma is that attaches the onus for the manufacturing sector directly at the door of top management (Deming, 1986). The theory hypothesizes that the management has responsibility for the systems and that it is a mechanism that produces 81% of the problems in firms. Quality improvement scholars note that a quality management system could thrive outside top management commitment; it is the management that capitalizes in the processes, produces corporate culture, and also chooses suppliers and advances long-term linkages (Farah, 2013).

The application of the quality enhancement theory to this study offers businesses a strategy to eradicate poor quality control issues through effective managerial methods. That notwithstanding, the management's behavior contours the corporate attitude and defines what is important for the success and improved performance of the organization. Deming's (1986) ideas on quality management systems advocate for the development of organizational structures that are conducive to organizational knowledge creation and continuous learning to pave way for organizational performance improvement. The application of this theory is that the current study focuses on supplier selection criteria whereby quality compliance assurance is a critical factor at the same time encouraging cooperation from other supplier selection criteria variables to facilitate improved organizational performance. In this study, top management is assumed will take

responsibility for most quality arising decisions and problems accruing thereof; and will be expected and hence give employees clear directions on organizational quality parameters (Thanga & Kwasira, 2016).

2.3 Empirical Literature Review

The empirical literature review section analyzed relevant literature on supplier selection criteria in Kenya and how these criteria impact organizational performance from differing perspectives. Shiati, Kibet, and Musiega (2016) on supplier selection criteria in public institutions using a case of Kakamega County found that the supplier selection criteria determine the level of success of an organization. This study established that public organizations are differently influenced by supplier selection criteria.

2.3.1 Regulatory Compliance and Organizational Performance

Regulatory compliance in this study means meeting all the regulatory requirements set by the government on all stakeholders willing to do business with government agencies (Makori &Muturi). A descriptive study by Makori and Muturi (2018) on the impact of supplier selection criteria focussing on regulations concerning public procurement among the Kenyan universities established that regulatory compliance had a significant influence on public universities in Kenya. The study established the need for public universities to comply with public procurement requirements for improved performance. Furthermore, Makori and Muturi (2018) found that handling the risks connected with the intricate competitive environment leads to accountability solutions leading to improved performance. Musau (2015) using a case study of environmental factors affecting

procurement in Uasin Gishu County established that guidelines could be construed as the actions taken by the regulators to expedite implementation of compliance, thereby establishing a significant correlation between regulation compliance and organizational performance.

A case study by Cherop (2015), on KenGen, found out the existence of a positive correlation between supplier selection criteria and organizational performance. Studies on the effect of procurement management and especially supplier selection criteria in Bangladesh, India, Sri Lanka, and Nigeria indicate that some countries have been attributed to frail enforcement of the rule of law and hence poor organizational performance (Wachiuri, 2018).

While studying procurement procedures in public institutions in the case of Kisii County, Muturi and Onyango (2016) established the presence of strong bidding mechanisms, facilitated by regulatory compliance which allows a participatory supplier selection and hence improved performance. This study by Muturi and Onyango (2016), further found that that one of the basic aspects of procurement law of non-compliance brings about an increased level of awareness and highly influences organizational performance. A descriptive survey by Musau, Namusonge, and Makokha (2017) on the textile manufacturing firms in Kenya established that familiarity with the regulations may not necessarily bring about compliance and that it may bring about smarter suppliers to sidestep the loopholes intrinsic in the regulations to their benefit. A cross-sectional study by Farah (2013) focussing on the water sector in Kenya found that regulatory compliance and its implementation had a positive significant effect on the performance of public organizations.

Wahu, Namusonge, Mungai, and Chilion (2015) in a descriptive case study on attributes influencing procurement regulations in public secondary schools in Kenya recognized the essence of ethics, training, and awareness in compliance to procurement methods and regulations. Nonetheless; the study found that more has to be done to enhance compliance with the set regulations for improved performance. (Farah, 2013). According to a study by Musau (2015), increased enforcement actions and increased penalties in default of regulations lead to greater levels of compliance and improved performance.

Mbuchi and Kwasira (2016) in a study on procurement prequalification in the case of Kenya Rural Roads Authority, found that legal mechanisms compliance has a significant influence on procurement practices and hence organizational performance. Anyango and Muturi (2016) established that regulatory compliance by organizations led to a sound impact on the quality of the products/services that they produce. A descriptive survey study by Ongohi (2014), in Nigeria on the impact of regulation on performance found that a significant body of regulations today have made inroads towards raising the quality of products to the benefit of the clients.

2.3.2 E-Procurement Capacity and Organizational Performance

E-procurement capacity as a supplier selection criteria implies the ability of organizations to comply with government and government electronic tendering capacity, the technological capacity to transact business, and the technological sourcing of government procurement documentation and processing (Thanga & Kwasira, 2016).

Kalu (2016) studying Kenyan-owned public companies in a cross-sectional research design established that emerging procurement businesses have identified the use of technology-related business solutions due to their efficiency and effectiveness. This study established that most companies in the public sector use technological advancement to improve performance through technological business solutions one of which is e-business. Thanga and Kwasira (2016) in their study of the Kenya rural roads authority found that supplier selection criteria should involve technological savviness because technological adaptation has a significant influence on organizational performance.

Thanga and Kwasira (2016) established that technological adaptation has a positive significant influence on the supplier process as it critically determines organizational performance. Kennedy and Kiarie (2015) in a case study on the impact of procurement at Nyamira County established that e-procurement software application in the procurement function had a positive impact on performance.

Makori and Muturi (2016) in a study of health institutions in Western Kenya established that e-procurement which is a result of technological savviness comprises a streamlining communication and processes between buyers and suppliers using software applications to permit these processes to be accomplished more effectively and efficiently. Empirical evidence on the influence of technology by Kasisi, Mwangangi, and Mwangi (2014) in a study of public organizations focusing on the National oil corporation established that e-procurement practices have a significant influence on organizational performance due to

their efficiency and effectiveness in service delivery. Maraka, Yusuf, and Iravo (2015) while studying sugar companies in western Kenya established a positive correlation in supplier selection criteria for its integration of product and service delivery along acceptable lead times that dictate improved performance.

Musiega *et al.* (2018) in a study of procurement practices in Kakamega County affirmed that that software variation by vendors in procurement practices displays critical capabilities measurement and therefore offers a positive significant relationship with performance. In another study, Samoei (2018) found that there are five key tenets of technology-savvy procurement practices which include that automation, integration, visibility, collaboration, and optimization. A study by Muema (2017) on telecommunication firms in Kenya established a significant relationship between telecommunication and organizational performance.

Thanga and Kwasira (2016) while studying special interest groups on procurement entities in Nakuru County establish that the transition from traditional procurement to e-procurement is one of the most proficient methods of improving price formations and billing management among users. However, other studies argue that simply implementing e-procurement does not itself guarantee increased compliance (Mbuchi & Kwasira, 2016). Their study argues that user perceptions of e-procurement provision significantly influence levels of contract and system and the performance of the organization. A study by Kavale (2015) on optimal supplies selection in Kenya establishes that system

management provides the capability of instinctive endorsement of electronic applications hence permitting the suppliers to be able to obtain instant feedback in their proposals.

Samoei (2018) in a study on e-procurement on financial performance on the ministry of education and technology established that management of e- systems aid the submission of tenders through the web system or using the autonomous stand-alone application. Ndunge (2016) in a study of government ministries in Kenya established that e-procurement brings about cost reduction, value creation to clients, being in a position to sell extra products/services, deliver savings to clients expeditiously and at a reduced cost, hence organizational performance. Ngugi (2014) while studying public companies in Kenya affirms that with the aid of technology as a business communication explanation to enterprise and organizational business activities can be computerized with the help of operating resource management resolutions. Wambui (2014) and Waweru (2015) while both studying procurement practices in non-governmental organizations found that the use of technological solutions like e-procurement impacts positively on the performance of organizations.

Ndunge (2016) in a cross-sectional study of e-procurement and efficacy of state departments in Kenya asserts that e-procurement necessitates e-ordering, e-sourcing, and e-tendering. According to Ndunge (2016), these forms of e-procurement among others were found to have a significant influence on the performance of government ministries. These techniques were found to reduce the costs in organizations, to be manually or physically involve accomplish these tasks. Mwenga (2016) in a study of e-procurement in government corporations has established however that e-procurement may not

automatically lead to improved performance. The study concludes that supply chain management in government ministries to carry out appropriate identification of needs and a decent selection of the best software to be employed if e-procurement is to contribute to improved performance.

Shalle (2013) in a study of e-procurement in government-owned organizations in Kenya has established by way of conclusion that adherence to e-procurement system aids in scaling down the cost of transaction by augmenting better accuracy level in the billing, appropriation, system computerization and electronic documentation payment. This agrees with a study by Mwenga (2016) on the positive influence of e-procurement on organizational performance. Samoei (2018) while studying the impact of e-procurement on the ministry of education in Kenya underscored that due to transactional and process proficiencies as well as major economies of information can be realized and checked through e-procurement procedural flat forms and thereby backing other studies carried out on the relationship between e- procurement and its impacts on performance.

2.3.3 Supplier Quality Assurance Compliance and Organizational Performance

Supplier quality assurance means the state of meeting all the quality assurance requirements obligated on the suppliers willing to do business of supplies with the government or government agencies in Kenya (Mbuchi & Kwasira, 2016).

Wanyoike (2013) using a descriptive study of quality management practices in manufacturing companies in Thika established that quality assurance leads to improved

performance. This study further found that quality is the extent to which a product or service achieves customer satisfaction and hence leads to improved performance of the organization. Wanyoike (2013) in this study generally concluded the existence of a positive significant correlation between the dimensions of quality and the performance of an organization.

Makori and Muturi (2018) in their study on inventory management practices in the health sector in Kenya have established a positive correlation between automation as a quality dimension and the performance of the hospitals in Kenya. The study further concludes that due diligence and a lot of consideration when procuring raw materials equipment, service is a requisite action as these are positively correlated with performance. Empirical evidence on consideration of supply selection criteria in the Kenya Medical Supplies Authority affirms that quality assessment plays an important role in the organization's performance because it facilitates suitable staffing of suppliers as they typically supply products of the desired standard (Maina & Moronge, 2018). In their study on rural roads Authority in Kenya, Mbuchi and Kwasira (2016) have found that suppliers require proficient practical ability to provide high-quality product/service, for it to ensure future enhancements in performance.

Ngunyi (2014) in a descriptive study on public corporations in Kenya alludes that supplier quality criterion is a measure of product or service technical compliance to quality specifications. The study concludes that compliance with a due date, quantity, production planning systems of suppliers, compliance with packaging standards, and

maintenance as selection criteria dictate the performance of organizations in Kenya. Wanyoike (2016) in the study on manufacturing companies in Kenya has established that continuous improvement, which is a dimension of quality compliance is critical for improved performance. In a study by Shiati *et al.* (2012) on quality assurance factors in Kakamega County, there exists a positive significant relationship between quality compliance and overall procurement function and hence improved performance.

Wachiuri (2018) in a study of supplier evaluation criteria in Kenyan corporations established that product development, quality assessment in production, quality assurance in the supply chain, inspection, and experimentation had a positive bearing on the quality of goods and services in circulation and hence a significant improvement in the performance of the Kenyan corporations. Shiati *et al.* (2012), in a study on determinants of supplier selection in Kakamega county also established that rivalry is fierce in the current business settings and that quality has a positive significant relationship with organizational performance. Mbuchi and Kwasira (2016) in a study on rural roads authority in Kenya affirm that quality standards of suppliers dictate customers' level of satisfaction through the quality of goods or services. Farah (2013) in a study of the water service sector has established that a supplier quality assurance criterion is significantly related to the performance of the sector. This study further determined that the main task for buyers on their part is to engage the suppliers in calling for improved product and service delivery through the adoption of quality-based approaches.

In a study of manufacturing firms in Kenya Wanyoike (2016), further identified the need to review organizational supply chain structures that are in existence to achieve quality

assurance and quality control in their supplies management. Maina and Moronge, (2018) in their study of state corporations in Kenya established that quality certification is key to government supplier organization which is aimed at sustaining the competitive advantage, especially in the current dynamic procurement environment. Cherop (2016) in a study of the procurement practices affecting KenGen established that institutions need to have clear-cut strategies in place to ensure that all stakeholders are committed to the main course on managing quality in supplier selection for improved performance. Mbuchi and Kwasira (2016) established that the management, as well as the staff of organizations, have a major role to play in quality commitment for improved performance.

Mokogi, Mairura, and Ombui, (2015) in a study of state-owned enterprises in Nairobi County found that organizations that best maintains competent quality standards and processes stand a better chance to succeed in business performance as compared to those who do not. These authors point to the resolve that organizations must maintain good supplier selection criteria to act as the key drivers in quality management in organizational supply chains. Furthermore, findings by Mwikali and Kavale (2012) in their study in the optimal selection of suppliers in Kenya conclude by recommending the application of supplier appraisal and evaluation techniques which guarantees teamwork and achievement of quality goals and objectives.

Odhiambo (2015) in a study on procurement practices in Nairobi County found that there is weight on process apart from product demands and that suppliers should adduce

evidence of process capacity on a systematic basis to inform the county governments on quality assurance, which is a determinant of performance. Chemson (2015) in a study on suppler selection criteria in Kenyan public companies has established that a precise selection criterion helps in the development of the best practices, reduces duplication across teams or units, and recognizes the critical units between the quality of the selection decision and supply chain quality. A study by Chemson (2015) affirms that quality assessment compliance of suppliers has the potential to improve and maintain quality and deliver products and services of high quality and hence improved performance. Mwikali and Kavale (2014) affirm the conclusion of Chemson (2018) on quality assurance assessment criteria in their findings that quality is critical to both the supplier and the buying organization because it has a positive correlation with performance.

Murigi (2013) in his study on procurement appraisal in the real estate sector in Kenya established that supplier selection criteria have a positive correlation with performance as it is a major driver in the improvement of procurement performance especially on organizational quality management and lead time minimization which in turn lead to organizational performance. Wainganjo (2014) in a study of procurement practices in the National Police Service concludes that suppliers, who are the key stakeholders in the supply chain should be aware of what is expected of them regarding the organization's strategic plans regarding the quality dimensions of the corporation’s consumables. The study further found that the continuous updating of supplier register and supplier development is aimed at enhancing supplier competency and that it has a direct significant bearing on the success rate of the organization (Cherop, 2016).

Willy and Njeru (2014) in a study of the agricultural development corporation in Kenya established that the engagement of suppliers at every level of a supply chain is a strategic process that targets teamwork and competency and hence organizational performance. In a study on health institutions in western Kenya, Makori and Muturi (2018) established that lead time which is a dimension of quality significantly influences organizational performance. The study further established that long lead times give the illusion that the exact supplier is less proficient or possesses more clients to serve and therefore delaying deliveries and hence affecting organizational performance (Musau, 2015). Willy and Njeru (2014) in their study concluded that the ability of the suppliers to adopt the specified delivery timelines is constantly the principal criteria for selection in this fast-moving society.

2.3.4 Management Capacity and Organizational Performance

Management capacity implies the ability of the suppliers to manage their resources to meet the supply obligations with efficiency and effectiveness Wachiuri 2018). Kenedy and Kiarie (2015) while studying the influence of procurement practice on the private sector; a case of Diamond Trust Bank established that resource allocation and staff competency had a significant positive relationship with performance. Furthermore, other studies have found that agency challenges are evident when agents' goals deviate from the principals' and it is expensive or difficult to confirm whether agents have correctly performed the delegated work meaning more dangers as a result to the organization (Kennedy & Kiarie, 2015). A study conducted on the Kenyan County assemblies, a case of Mombasa County on the relationship between performance and management

capability suggests that effective and proficient procurement practices have a significant correlation with performance (Odhiambo & Theuri, 2015). Wachiuri (2018) in a study of supplier evaluation criteria in Kenyan corporations established that management commitment, product development of quality assessment in production, quality assurance in the supply chain, inspection, and experimentation, and quality staff of suppliers had a significant relationship with performance. Shiati *et al.* (2012) established that quality assurance as a key consideration in purchasing decisions has a significant effect on the performance of organizations. Mwikali and Kavale (2012) assessed optimal supplier evaluation on Kenyan firms and established that management capability is the managerial effort necessary for creating an operating environment and has a positive correlation with performance.

Onyango and Muturi (2016) in their study have established that supplier development, supplier selection, and supplier amalgamation can be viewed as forming a supplier management system with management accountability seen as the driver of all other supplier selection criteria. Maina and Moronge (2018) in a study on procurement appraisal policy in public corporations found that successful supplier selection criteria work well in organizations with the capacity and functioning competent management system enabled by relevant policy directions. This study further established that establishments that take into account total quality management policies are in a better position to meet the challenges of competing in the global economic arena. A firm's managerial proficiency is a concept well known to business practitioners, academics, and consultants in strategic management as essential to the business of performance. A study

by Kenedy and Kiarie (2015) on the influence of procurement practices in the private sector in Kenya established that resource allocation and staff competency positively affected procurement performance which in turn leads to organizational success.

Mwangi and Kwasira (2015) in a study of ethical practices in state corporations point out that ethical management practice which is a measure of management capability is significantly correlated with organizational performance. The study further established that management capability is a key asset determining the kind of suppliers to be involved in the supplies of essential materials for improved business performance. Onyango and Muturi (2016) determined that without the board disciplinary instruments, all factors considered, suppliers will be resistant and will keep on doing business unchecked to the detriment of self-improvement, prompting declined organizational performance. Musau (2015) in his study established that if purchasing practice is not carried with utmost management ethical standards, the procurement function in the organization will be rendered vulnerable to malpractices and hence procurement managerial ethical violation and abuses and declined organizational performance. In their study of selected sugar companies, Maraka *et al*. (2015) established that the most common cost-related issues which are indicators of management capability have negative significant correlations with organizational performance. Maraka *et al.* (2015) further establishes that these factors have a significant bearing on overall performance of the organizations involved.

Thanga and Kwasira (2016) found that profit maximization cannot be realized without the maximization of management competency that the firm always should need the lowest price of the product to enhance the profitability. This study further established that there is a positive relationship between supplier selection criteria of management capability and organizational performance. Onyango and Muturi (2016) found that the capability of the supplier to monitor the outlined delivery schedule positively correlated with organizational performance. Musau (2015) concludes that lead time, a management capability predicator significantly affects organizational performance. The researcher further concludes that customer acceptance of lead time has a positive correlation with organizational performance. In pursuit of this line of argument, customer lead time as the time between order placement and fulfillment has an important impact on the performance of organizations (Farah, 2013).

Mbuchi and Kwasira (2016) while studying the supplier prequalification criteria in the Kenya Rural Roads Authority found that suppliers and their financial structure which are predictors of management capability to do business based on history have a positive relationship with organizational performance. Mbuchi and Kwasira further concluded that the management financial capacity of the supplier has a positive correlation with the overall performance of the organization (Nyaribo, Okong'o & Muturi, 2017). The monetary status of the supplier can be broken down by getting the data about the yearly turnover of the supplier and their money related structure contingent upon on the prior history and that a good supplier ought to have a decent financial related base so that in case of postponed installments, supply is not obstructed (Muturi, Okong'o & Nyaribo). These authors established that a good supplier here in referred to management capability

to deliver must have a sound financial foundation and this has a positive correlation with performance.

Shiati *et al.* (2016) further found that firms anticipate momentous privileges from contracting with suppliers who have the management capability to deliver through offering high-value commodities. Suppliers in the purchasing practice in business organizations have been recognized as the best imperceptible assets of the supply chain processes in business organizations (Wahu *et al.,* 2015). Ngunyi (2014) established that supplier evaluation and selection represent one of the positive critical parts of buying and supply management functions and which depict a positive correlation with performance. Nyaribo, Okong'o, and Muturi (2017) determined that the selection of the best supplier is an essential strategic factor imperative for supply chain effectiveness and efficiency.

2.4 Summary of Empirical Literature Gaps

Author and Date	Focus of study	Methodology	Findings	Knowledge Gaps	The focus of current study.
Shiati, Kibet and Musiega (2016)	Effect of supplier selection criteria on performance .	Case study	The study found a positive correlation between supplier selection.	This study did not address all the factors that affect supplier selection criteria.	The current study focuses on supplier selection criteria in four aspects namely legal compliance, e-procurement, quality assurance, and management capacity.
Makori and Muturi (2018)	The study sought to establish the effect of supplier selection criteria on procurement performance	Descriptive study	-Existence of a positive and negative correlation -Study established that further research should be carried out to determine other factors influencing the performance.	A study was done on county governmen t, while the current study is being done on a state corporation -study only looked at regulation disregardin g other factors that affect procureme nt performanc e -Study was	The Current study focuses on e-procurement capacity, management capacity, and quality assurance as key factors in supplier selection criteria.

				descriptive while the current study is a case study.	
Musau (2015)	The study was focused on the Impact of regulation on environmental factors affecting performance	A case study	The study established mixed results on the relationship between regulation and organizational performance	The study was not exhaustive in exploring other factors affecting performance. -	The current study focuses on additional factors namely e-procurement compliance, quality assurance, and management compliance.
Cherop (2015)	The study focussed on the effect of procurement management practices on performance	case study	The study found the existence of a positive correlation between regulation compliance and organizational performance	The study was used in the context of profit-making while the current study is on a non-profit making public corporation. The study was general in approach and did not into detail of looking at the specific factors with the potential to	The current study is specific and addresses the specific supplier selection factors with the potential to influence performance.

				create	
Farah (2013)	Impact of legal compliance on the procurement function	A cross-sectional study	The study established that legal compliance implementations had a positive correlation with performance	The study looked into legal compliance implementation as the only factor determining performance -study used a cross-sectional approach	The current study is a case study and looking into supplier selection criteria including other factors
Musau, Namusonge and Makokha (2017)	Effect of regulatory compliance on manufacturing firms	Descriptive study	The study established a positive correlation between legal compliance and county performance	-Study was carried out in the context of the manufacturing sector while the current study is on the service sector.	The current study is focused on the service water industry.
Kalu (2016)	Effect of e-procurement on public companies in Kenya.	Cross-sectional study	The study established a positive correlation between e-procurement and the performance of public companies. -Specifically, the study	-Study was not tailored to any specific industry or service among the industries studied. -However, the current study is	The current study is specific and looks into e-procurement, quality assurance.

			found that e-procurement led to improved efficiency and effectiveness in the performance of public enterprises.	specific to Water Resource Authority in the water sector.	
Thanga and Kwasira (2016)	Effect of technological adaptation in the Kenya Rural Roads Authority	Descriptive study	-The study found the existence of a significant correlation between technological adaptation and procurement function hence improved performance.	-The study was not specific supplier selection criteria variables subjected for study.	The current study brings onboard specific supplier selection criteria and how they impact the performance of the organization.
Mwangangi and Mwangi (2014)	e-procurement on the performance of the National Oil Corporation.	Case study	-The study established that e-procurement has a significant effect on organizational performance.	The study did not examine supplier selection criteria -the current study is broad and captures a variety of variables with the potential of influencing the performanc e of	The current study is specific and addresses all the variables in the eye of supplier selection criteria.

				organizations. The study generalized e-procurement purely as an independent variable but did not look at it as a supplier selection criterion	
Ndunge (2017)	e-procurement on government ministries in Kenya		The study established a positive correlation between e-procurement and organizational performance.	The scope was limited to government ministries and hence the results may not have been realized when studied in a different organizational setup.	The current study captures a wider scope in terms of other factors and now extends to the Water Resource Authority.
Samoei (2018)	e-procurement on ministry of education	Descriptive study	The study established a significant positive relationship	The scope here was limited to the ministry of education and hence the application to government	The study was open to other factors in supplier selection criteria and hence more scope to other agencies which can be affected by the factors under study.

				parastatals involved in non-educational services was limited.	
Wanyoike (2013)	Effect of quality assurance on manufacturing firms in Thika	Descriptive study.	The study found that quality assurance has a positive correlation with procurement function and hence performance.	The study focused on the manufacturing industry and therefore shortfall in the application of the findings to the service sector. The study looked at quality assurance from the perspective of TQM and not as a supplier selection criterion.	The current study looked at quality assurance as a supplier selection criterion and expands the study to other factors with the potential to impact organizational performance.
Makori and Muturi (2018	Quality assurance on inventory management in the health sector	Case study	The study established a positive correlation between quality assurance and inventory management	The study was not specific on linking the performance of the organization	The current study sought to directly link the variables of study to organizational performance.

			in the heath sector		
Ngunyi (2014)	-quality management on the performance of public corporations in Kenya	Descriptive study.	The study established the existence of a significant correlation between the variables of study and performance	This study looked at quality management and hence a gap in the constructs to be used in the study.	The current study is purely on quality assurance as supplier selection criteria
Shiati *et al.* (2012)	Effect of quality assurance measures on performance	Case study	The study established a significant correlation between the variables of the study	This study was focused on the specific measures on performanc e	The current study is focused on quality assurance compliance as per set standards.
Maina, and Moronge (2018)	Quality certification impact on the performance of state corporations	Cross-sectional study.	The study found a significant correlation between quality certification and performance	The study only sought to measure quakily certificatio n indicators and not specific on quality assurance compliance indictors	The current study looks at quality assurance and other factors with the potential to affect the performance of the organization.
Odhiambo (2015)	Effect of procurement practices in Nairobi County	Case study	The study established a significant relationship between procurement practices in Nairobi	This was not specific to the nature of procureme nt practices and hence a gap	The current study is specific on supplier selection criteria and uses specific supplier selection criteria and how they impact organizational

			County.		performance.
Chemson (2015)	Effect of quality assurance management on Kenyan Public Companies	Descriptive study	The study established a positive relationship between quality assurance and performance	The study looked at quality assurance management and did not look at other factors with the potential to impact the organization	The current study is wider in scope because it looks at quality assurance and other supplier selection criteria that have the potential to impact performance.
Wainganjo (2014)	Procurement practices in National Police Service	Descriptive study	This study established a significant positive correlation between procurement practices and the performance of police service	The study was carried out on procurement practices generally and did not specify what specific practice.	The current study is specific and sought to establish the impact of specific supplier selection criteria and their impact on organizational performance.
Willy and Njeru (2014)	Quality management on the agricultural development corporation	Case study	This study found a positive correlation between quality management and organizational performance.	The study was only focused on the management aspect of quality dimensions and did not look into the quality compliance standards aspect.	The current study is specific and sought to establish the effect of supplier selection compliance to set standards and how these impact performance.

Kenedy and Kiarie (2015)	Management capacity on the performance of banks in Kenya	Case study	Positive correlation between resources capacity.	Study-specific to banks. A gap to study the same variable on other non-financial institutions. The same study can be carried out in the water service sector.	The current study focused on a non-financial institution, the Water resource Authority.
Odhiambo & Theuri (2015)	Management capacity and performance capacity of county assemblies in Kenya.	Descriptive study	Positive correlation between management capacity and performance.	The study did not look at management capacity in view of supplier selection criteria	The current study sought to investigate the management capacity as a supplier selection criterion on performance
Kennedy and Kiarie (2015)	Influence of management capacity on private sector firms in Kenya.	Cross-sectional study	The study found a positive correlation between management capacity and organizational performance	This study was carried out on private firms, hence bringing out a gap to have the same study carried out on public firms in Kenya	The current study was focused on establishing the effect of management capacity on a public sector corporation

According to Mwangi and Kwasira (2015), the supplier selection process should be compliant to management capacity to improve the current typology and variety of their

product range. Arguably, it is of necessity for continuous selection of suppliers with management capacity to deliver in order to enhance register improved performance (Nyaribo, Okong'o, & Muturi, 2017). Customer feedback towards the supplier is also an important factor to consider as it may affect the performance of the supplier and hence the performance of the organization through failure on management capacity assurances. Mbuchi and Kwasira (2016) have established that suppliers with competent managerial capacity have a positive significant impact on supply quality Leadtime and even e-procurement adoption hence improved the performance of the organization.

2.5 Conceptual Framework of the study

Independent variables

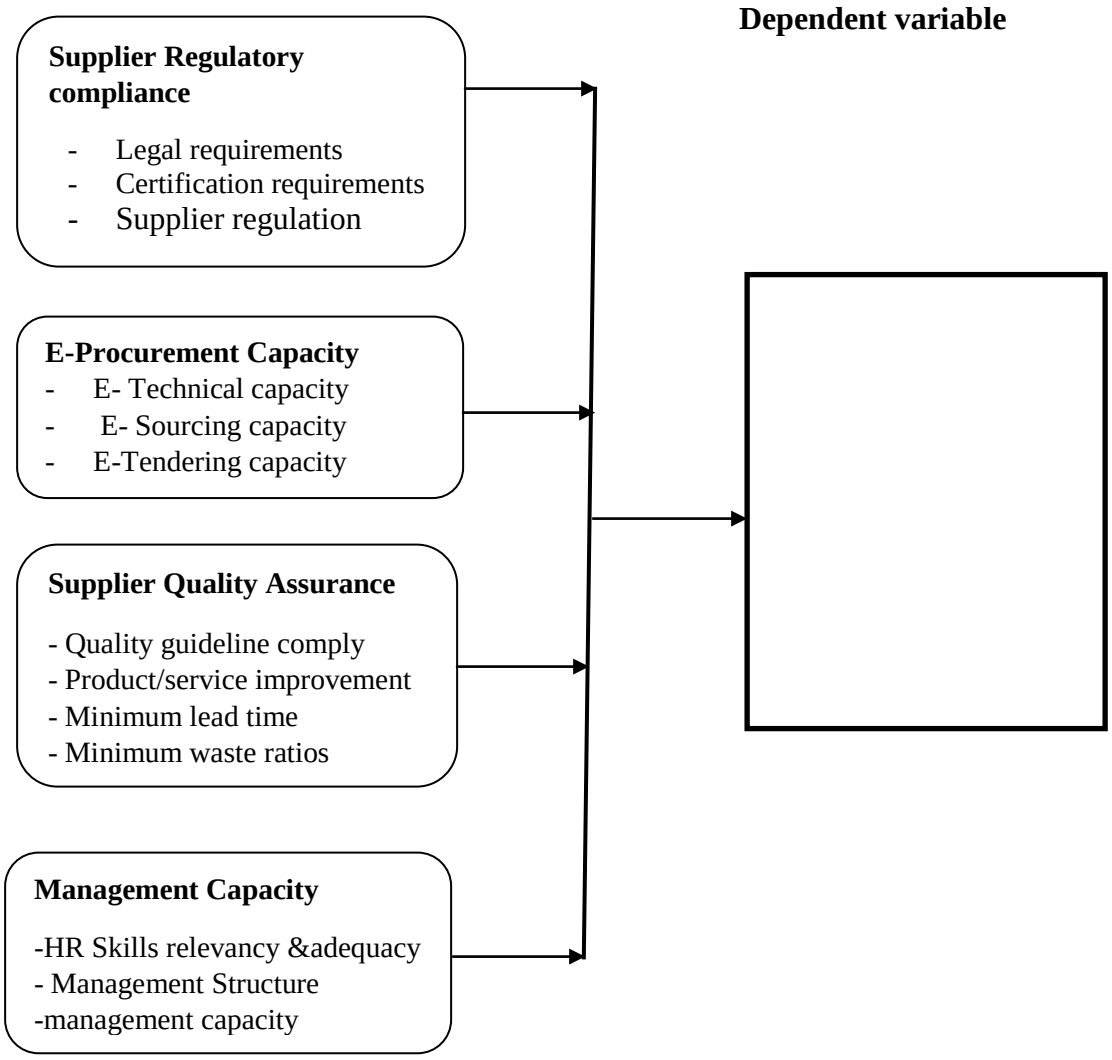


Figure 2.1 Conceptual framework **(**Source: Author, 2021)

2.6 Critique of the Literature

Supplier selection criteria is generally an area that has been studied in Kenya. Numerous studies have been carried out on various aspects of supplier selection bringing out key findings**.** Makori and Muturi (2018) on the impact of supplier selection criteria focussing on civic procurement regulations on procurement in Kenyan institutions of higher learning established that regulatory compliance had a significant influence on public universities in Kenya. The study established the need for public universities to comply with public requirements on selection criteria for improved performance. This study, however, did not investigate other factors with the potential to impact the performance of higher learning institutions.

Kennedy and Kiarie (2015) in a case study on the impact of procurement Nyamira County established that e-procurement software application in the procurement function takes advantage of the novel technology competencies to integrate and enhance supplier-oriented processes along the supply chain and hence performance. Kiarie and Kenedy (2016) point out that these connections may include, source-to-contract, design-to- source and procure-to-pay necessary during the procurement process. Despite the establishment of a positive correlation between e-procurement and performance, this did not seek to find out the influence of other factors like quality assurance with equal potential to positively or negatively impact performance. The scope was hence limited and wider scope would have yielded better results.

Wachiuri (2018) in a study of supplier evaluation criteria in Kenyan corporations established that product development, quality assurance in the supply chain, quality assessment in production, experimentation, and inspection had a positive bearing on the quality of goods and services in circulation and hence a significant performance of the corporations. However, this study was not expressly specified in bringing out the variables as supplier selection criteria and further that such a clear underscoring of the variables would have yielded different results

Maina and Moronge (2018) in a study on procurement appraisal policy in public corporations found that successful supplier selection criteria work well in organizations with the capacity of functioning competent management system enabled by relevant policy directions. This study however did not specify the effect of supplier selection criteria on the performance of the said organization.

It is from these findings that various variables in this current study were identified as key supplier selection criteria factors that influence the performance of the public corporations in Kenya with specific reference to the Water Resources Authority. The previous studies carried out were not conclusive were inadequate, in clarity on all the factors on supplier selection criteria. Additionally, empirical evidence highlighted in this study clearly shows non-exhaustion on all the variables on supplier selection criteria with a potential to cause a significant correlation and thereby leaving gaps to be studied further. Moreover, a few of these studies reviewed other corporations in Kenya and were not specific to the Water Resources Authority in Kenya.

2.7 Chapter two Summary

This chapter reviewed the theoretical framework of the study anchoring it on the agency theory, the stakeholder theory, and the quality improvement theories showing how these theories apply to the study. The chapter further reviewed relevant literature linked to the study topic on areas of regulation compliance-procurement capacity, quality assurance, and management capacity and how each of these relates to organizational performance. The chapter further presents a summary of literature identifying the study gaps and concludes by providing a critique of the literature and then a presentation of the conceptual framework of the study,

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter delineates the research design and, methodology that was adopted in the study. It comprehensively describes the research methodology which includes the study design, target population, and sampling techniques that were used in the research. The chapter further highlights the questionnaire, techniques of administering data, estimation methods, and other techniques that were utilized in outlining the research upshots. As pointed out by Kothari (2004), methodology as widely used in research work is an orderly method used to give answers to the research problem in an inquiry. It is utilized to give an explanation and decompose it into small parts to be used in the research. In the current inquiry, methodology outlines the analysis of the methods and other plans that were used to give a solution to the research problem.

3.2 Research Design

Kothari (2004) describes the design as used in research as the choice of research about the mechanisms of the design to be employed in a research process. It is the approach used in conducting research and it is fundamentally a declaration of the object of the inquiry and plans for analyzing the pieces of evidence, gathering the evidence, and reporting the findings. Cooper and Schindler (2004) argue that a research design is a design that stipulates the types and sources of information relevant to the research problem. It is a plan stipulating the kind of approach that will be used for obtaining and analyzing the data. This study used a descriptive case study design. The study used this

study design because it was most suitable on the kind of study population which composed of only 55 members who could be easily studied using this method as would increase capture of more information from the subjects hence more credibility.

3.3 Study Population

As noted by Mugenda and Mugenda (2008), population means the features of a specific group. Mugenda and Mugenda (2008) term a study population as a comprehensive set of entities, cases, units, or matters with some mutual noticeable attributes. In this study, the target population is the WRA staff based in Nairobi Headquarters. The target population is the selected group out of the study population from which the study intends to pick the sample or specific members to be involved in the study. In this research, the management staff working in Water Resources Authority were the targeted population and were drawn from all senior staff from the key departments that make up the Water Resources Authority at the headquarters. The study involved all the 55-management staff at the WRA because they are best placed to give relevant information regarding supplier selection criteria dynamics since they continuously undertake procurement assignments as part of their job descriptions.

Table 3.1: Target Population Distribution of the Water Resources Authority Management

Target population	Total
Chief Executive Officer	1
Technical Coordination Manager	1
Finance & Administration Manager	1
Chief Legal Officer	1
Head of Internal Audit	1
Deputy Technical Coordination Managers (Ground Water)	2
Deputy Technical Coordination Managers (Surface Water)	2
Deputy Technical Coordination Managers (Permitting)	2
Deputy Technical Coordination Managers, (Quality & Pollution Control)	2
Deputy Technical Coordination Managers, (Laboratory Services)	2
Deputy Technical Coordination Managers, (Resource Mobilization)	2
Deputy Technical Coordination Managers, (Community Development)	2
Legal Officer	2
Finance Officer	3
Planning Officers	3
Administration Officers	3
Supply Chain Management Officer	3
Commercial Officers	3
Information Communication Technology Officers	4
Corporate Communication Officer	4
Accountants	4
Human Resource Manager	3
Record & Archiving Officers	3
Total	**55**

3.4 Sampling Technique and Sample size

Kothari (2014) terms a sample as a subcategory of features originating from a larger population. Similarly, it is also a collection of elements selected from the universe to represent it. The excellence of the sample for quantitative studies is contingent on how representative or typical the sample is of the population regarding the variables of concern in the study. This study used the census sampling technique in determining the sample size. Mugenda and Mugenda (2008) suggest that a sample size of thirty percent of the entire population is representative enough in empirical investigations. In this study, all the 55 members of the population were given room to participate in the study. Furthermore, the case study design adopted with such a small population did not require the calculation of a sample size. The study used all the members of the population to increase the credibility of the study results. The study subjected all the 55 members of staff achieving a total of 36 questionnaires return rates out of the total population of 55 employees. This, therefore, met the threshold of at least 30% set by the prior empirical works (Mugenda &Mugenda).

3.5 Data Collection Techniques

The study employed primary sources of data collection techniques. The use of this kind of data collection technique is supported by Mugenda and Mugenda (2008) who opines that primary data is the first-hand information relating to a study. The study employed a structured questionnaire with closed-ended questions. The questionnaire was composed of three major sections. The first part of the questionnaire involved the introduction of the researcher to the participants. The second part of the questionnaire involved capturing the

demographic data of the participants. Lastly, the questionnaire captured information pertaining to the variables of the study starting with the influence of regulatory framework, the influence of e-procurement, influence of supplier quality systems, and influence of management capacity on the performance of the Water Resources Authority.

3.6 Pilot Test of the Research Instrument

The researcher piloted the questionnaires before administering them to the entire population. The principal aim of the pilot test was aimed at checking the content as well as the face validity of the instrument (Mugenda & Mugenda, 2003). The questionnaire was subjected to a pre-test with 10 people conversant with the concept of procurement criteria and its influence on organizational performance. This technique allowed room to make clarifications on the questions and other necessary corrections before the questionnaires tool was administered.

3.7 Validity

Validity indicates whether the items in the questionnaire instrument measure what they are designed to measure. The study used validity to ensure that the questionnaire measured what exactly was intended to measure. The study checked for the content validity of the research instrument before it was subjected to the study. The content validity in this study was determined by seeking expert opinion of the assigned supervisor and other authorities on supplier selection criteria in procurement. The result of validity was that the questionnaire was eventually reviewed and revised based on the comments made by the supervisors. Furthermore, the key variables were correctly

aligned to their corresponding questions and hence doing away with ambiguity and inadequacy in wording.

3.8 Reliability

The concerns of reliability in this study were fulfilled through the adoption of Cooper and Schindler's (2007) belief which indicates that for a questionnaire to be regarded as reliable, the value of Cronbach's alpha coefficient has to be 0.7 and above. In this regard, Cronbach's alpha coefficient was employed to carry out a test reliability scores of the questionnaire. Cronbach's alpha was employed to approximate internal consistency reliability by determining how different components of the instrument were related to each other and the entire instrument (Wanyoike, 2013). The value of the coefficient fluctuates from 0, which signifies the absence of internal consistency among items in the questionnaire, representing ideal internal consistency (Cooper & Schindler, 2007). Some indicators were furthermore subjected to a reliability test using Cronbach's alpha which is a reliability coefficient to show how the five predictor variables were operationalized. The test of reliability results showed a Cronbach's alpha value of 0.979 thereby confirming the suitability of the questionnaire instrument.

3.9 Data Collection Procedures

The researcher utilized a structured questionnaire in gathering the required data for the research. The choice of the structured questionnaire was informed by the fact that this research was focused on studying the influence of supplier selection criteria on firm performance.

To source data from the management staff of the Water Resources Authority, the researcher administered the questionnaires through e-mail because of the COVID 19 regulations on social distance. This kind of approach is seen as sufficient in this study because it would give the participants time to have enough time to understand the questionnaire before providing answers or responses. The respondents were requested to fill the questionnaire and return it through email. The justification for this kind of tool was that it gave room to the participants to read, comprehend and give answers without requiring a face-to-face discussion which was extremely ideal because of the COVID 19 situation in Kenya at the time when this data was collected.

3.10 Data Analysis and Presentation Techniques

To estimate the anticipated linkage between the study variables, quantitative estimation methods were adopted in the current study. The researcher applied the causal relationship evaluation between the study variables to either confirm or invalidate the prior established linkages. To determine the causal relationships resulting from the answers to the research problem, the researcher used regression analysis tables. The researcher used SPSS to generate outputs and in interpreting the data collected. Moreover, the researcher used the Likert scale to establish the extent of the causal relationships on the variables under measurement in the research as given by the respondents. The data was presented by the use of tables and descriptive statistics. The data was tabulated by calculating the causal relationships of the variables in the study and presented using tables ‘and then presenting it in percentages, standard deviation, and the mean values.

The regression model took the following form;

$\mathbf{Y= \beta_0+\beta 1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon}$

Where; Y= Firm performance

β_0 is Constant

X_1 is Supplier regulatory capacity measured by a composite score

X_2 is E-procurement capacity measured by a composite score

X_3 is Supplier quality assurance system measured by a composite score

X_4 is Management capacity measured by a composite score

ε is an error term.

β_1……. β_4 = Beta coefficients of variables *i* the measure of the variance in Y related with a change in X. β_0 = Regression constant; while **ε**–refers to the expected error that is assumed to be associated with the variables. The coefficient of determination (R-square) obtained gave the explanatory power of the model while the correlation coefficient (Beta factor) for each of the four independent measures gave the nature and extent of the relationship with the dependent variable. The results of significance were interpreted at a 5% level of significance. The p-values were then be interpreted for significance. The findings were presented in APA tables.

To determine the effects of procurement criteria on firm performance, data analysis was used to check the level trends and patterns of the mean, variance, and standard deviations of the different variables from the questionnaires. Tables and percentages were used to present responses and to facilitate comparison using percentages. Kothari (2014) argues

that the use of percentages is important in that they simplify data by reducing all the numbers to range between 0 and 100.

3.11 Ethical Considerations

According to Kothari (2004), ethical consideration is a critical part of any research process. The ethical practices employed ensured that researchers carried out their business within acceptable standards which assured and protected the study subjects from potential harm or abuse by the researchers. The researcher in this study took several actions to ensure that the study was carried within acceptable standards. According to ethical practices in this research, the researcher got a letter of authority to research St Paul's University. The researcher also secured an authority to research the NACOSTI which is the government of Kenya agency that authorizes all research activities. Furthermore, the research obtained permission from the management of the Water Resources Authority to research the corporation. Lastly, the researcher ensured that the questionnaires are properly introduced and contained a free will disclaimer of the respondents either to accept to participate or reject participation in the study. Lastly, the researcher assured the respondents of the use of the information gathered for purely academic purposes and that no information given was treated as anonymous and not belonging to any specific respondents by identity.

3.12 Chapter three Summary

This chapter presents the research methodology and brings out the research design, and the population of study including the actual population studied. The chapter clarifies the sampling technique employed in the study, data collection and administration methods-

testing of the questionnaire tool, reliability and validity testing procedures, and also declares the ethical approaches employed in the study.

CHAPTER FOUR

4.0 DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

4.1 Introduction

This chapter discusses the descriptive statistics relating to individual study variables as well as the inferential statistics on the specific objectives of the study. The findings were presented in form of tables.

4.1.1 Response Rate

This study had a sample size of fifty-five (55) participants out of which only 36 questionnaires were received back for analysis. This response rate was achieved by making several phone calls and sending emails to the respondents. The response rate was 65.45% and according to Kothari (2004), this is acceptable for analysis since the threshold set is usually at 60%. This response rate is shown in Table 4.1.

Table 4.1. Response Rate

	Frequency	**%**
Response Rate	36	65.45
Non-Response	19	35.55
Total	55	100

4.2 Gender Category

Table 4.2 shows that out of 36 respondents, 66.6 % were male while 33.34 % were female. This indicates that there was no equal gender representation at Water Resources Authority.

Table 4.2: Gender Distribution

	Frequency	%
Male	24	66.66
Female	12	33.34
Total	36	100.0

4.3 Number of Years Worked

The study intended to establish the number of years worked. Table 4.3 shows that 25 % of the respondents worked for the organization for more than 10 years, 30.55% had worked for 3 years and below, 27.77% had worked between 4-6 years, and while 16.66 % had worked for between 7-10 years. This indicates that a larger percentage of respondents had worked for 3 years and below at the Water Resources Authority.

Table 4.3 Number of Years Worked

	Frequency	%
3 years and below	11	30.55
Between 4-6 years	10	27.77
Between 7-10 years	6	16.66
More than 10 years	9	25.00
Total	**36**	**100.0**

4.4 Number of Years Worked in Current Position

The study sought to find out the number of years respondents had served in their current positions at the Water Resources Authority. The response as presented in Table 4.4 shows that the majority of respondents 33.3% worked for Water Resources Authority in

their current positions for more than 10 years, 22.2% had worked for between 7-10 years, 25% had worked between 4-6 years and the remaining 19.4% had worked for three years and below. This confirms that vast of the staff had worked in their current positions for more than 10, hence indicative of generally well-experienced staff.

Table 4.4: Number of Years Worked in Current Position

	Frequency	**Percent**
3 years and below	7	19.4
Between 4-6 years	9	25
Between 7-10 years	8	22.2
More than 10 years	12	33.3
Total	36	100.0

4.5 Level of Education

The study intended to find out the level of education. From the findings shown in Table 4.5, 43.48% of the respondents had attained a first degree, 8.69% attained a diploma, and 32.61 had attained master's degrees, while 15.22% of the respondents had a Ph.D. level of education. This signifies that vast of the respondents had attained university education with 47% having attainment of masters and PhD education.

Table 4.5: Level of Education

	Frequency	%
Diploma	4	11,17
First degree	12	33.33
Masters	15	41.66
PhD	5	13.88
Total	36	100.0

4.6 Reliability Test

Reliability is the extent to which a specific measure is capable of appraising the variable consistently. It is the magnitude to which a research instrument gives dependable findings. Cronbach's Alpha was used to test the reliability of the research instrument. Saunders et al. (2015) provides a benchmark of 0.7 and above for assessing whether the scale is reliable or not. The results obtained established a high magnitude of internal consistency for all the items utilized in this empirical study. All the items had an alpha coefficient of more than 0.7 thus confirming the reliability.

Table 4.6: Internal Consistency Results

Variable	No. of items	Cronbach's Alpha	Decision
Supplier Regulatory Compliance	4	0.788	Accept
E-Procurement Capacity	4	0.881	Accept
Supplier Quality Assurance	4	0.897	Accept
Supplier Management Capacity	4	0.895	Accept
Organizational Performance	13	0.955	Accept

4.7 Validity Test

This refers to the extent to which the outcome of a study truthfully mirrors what happened in a given condition (Kothari, 2014). There are three major types of validity: namely, content, criterion, and construct validity which are largely related to theory and operation wise, they involve judgment rather than numerical measures. The construct employed in the current study was obtained after a critical review of literature that relates to the variables of interest. Moreover, the results obtained were compared with theoretical expectations to ascertain whether they conform to the key theoretical propositions. Furthermore, expert services of the industry experts were solicited whereby the questionnaires were given to them to assess the cogency of the research questions.

4.8 Descriptive Analysis

The study sought to determine the influence of supplier selection criteria on the performance of public corporations in Kenya, a case of Water Resources Authority. To achieve this objective, four indicators of business process outsourcing were examined, namely: supplier regulatory compliance, e-procurement capacity, and supplier quality assurance and supplier management capacity. Furthermore, three dimensions of organizational performance were examined: namely effectiveness, financial efficiency, and customer experience. Data was collected using a semi-structured questionnaire, on a 5-point Likert scale.

The central tendency of the gathered data was measured using the mean scores, while dispersion was captured using the standard deviation of the scores. The mean scores

captured the degree to which the responses were centered about one point on the scale, whereas standard deviation captured the degree to which the responses were dispersed from the mean score.

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4.8.1 Supplier Regulatory Compliance

The empirical study sought to confirm from the participants, on a scale of 1-5, the extent to which various statements relating to supplier regulatory compliance were applicable in their organization. The responses were as shown in Table 4.7.

Table 4.7: Supplier Regulatory Compliance

Supplier Regulatory Compliance	N	Min	Max	M	SD
Our organization adheres to all legal requirements in its procurement activities	36	1	5	4.00	1.22
Our organization deals with suppliers who are dully registered with the government	36	1	5	3.06	1.58
Our organization carries out business with suppliers registered with supplier regulation agencies.	36	1	5	3.83	1.13
Our organization follows the procurement procedure as the public procurement and asset disposal Act 2015	36	1	5	3.44	1.46
Average Score		**1**	**5**	**3.58**	**1.35**

The findings revealed that the average scores for the four statements used to operationalize supplier regulatory compliance were (M = 3.58, S.D = 1.35). The statement on the ability of the organization to adhere to all legal requirements in

procurement activities was (M = 4.00, S.D = 1.22) signifying that the respondent agreed with the statement. The ability of the organization to deal with suppliers who are dully registered with the government (M = 3.06, S.D = 1.58) suggests that the respondents were neutral with the statement. The statement on the tendency of the organization to carry out business with suppliers registered with supplier regulation agencies (M = 3.83, S.D = 1.13) implies that the majority of the respondents agreed with the statement. Finally, the statement on the ability of the organization to follow the procurement procedure according to the public procurement and asset disposal Act 2015 (M = 3.44, S.D = 1.46) suggesting that the respondents were neutral on the statement.

4.8.2. E-Procurement Capacity

The empirical study sought to establish from the participants, on a scale of 1-5, the degree to which various statements relating to e-procurement capacity were applicable in their organization. The responses were as indicated in Table 4.8.

Table 4.8. E-Procurement Capacity

E-Procurement Capacity	N	Min	Max	M	SD
Our organization does business with a supplier who can respond to requests for quotation through E-Systems	36	1	5	4.00	1.10
Our organization deal with suppliers with e-sourcing capacity	36	1	5	3.39	1.52
Our organization does float its tenders through the e-tendering method	36	1	5	3.25	1.46
Our suppliers have complied with all e-	36	1	5	2.42	1.34

procurement requirements

Average Score	**36**	**1**	**5**	**3.26**	**1.35**

A total of four statements were used to measure e-procurement capacity. On average, the respondents were neutral on all the statements (M = 3.26, S.D = 1.35). The statement with the highest mean score (M = 4.00, S.D = 1.10) was on whether there the organization does business with a supplier who can respond to requests for quotation through E-Systems. The respondents agreed with the statement. Moreover, the statement "our suppliers have complied with all e-procurement requirements" had the lowest average score (M = 3.26, S.D = 1.35) which suggests that the majority of respondents disagreed with the statement.

4.8.3 Supplier Quality Assurance

The study sought to determine from the respondents, on a scale of 1-5, the extent to which various statements relating to supplier quality assurance were applicable in their organization. The responses were as indicated in Table 4.9.

Table 4.9: Supplier Quality Assurance

Supplier Quality Assurance	N	Min	Max	M	SD
Our prequalified suppliers are compliant with national quality assurance guidelines	36	1	5	3.53	1.42
Our suppliers comply with minimal lead times between orders and deliveries	36	1	5	3.61	1.40
Our suppliers are subjected to product and service continuous improvement	36	1	5	2.92	1.46

Our suppliers have minimal Product and service waste ratios in their deliveries	36	1	5	3.25	1.46
Average Score	**36**	**1**	**5**	**3.33**	**1.44**

Supplier quality assurance dimension was operationalized using a total of four statements with an average mean score of (M = 3.33, S.D = 1.44). The statement with the lowest mean score (M = 2.92, S.D = 1.46) was on whether the suppliers were subjected to product and service continuous improvement and a majority of the respondents were neutral in regard to this statement. In contrast, respondents agreed with the statement "our prequalified suppliers are compliant with national quality assurance guidelines". This statement had the highest mean score among all the statements (M = 3.53, S.D = 1.42).

4.8.4 Supplier Management Capacity

The study sought to establish from the participants, on a scale of 1-5, the extent to which various statements relating to supplier management capacity were applicable in their organization. The responses were as shown in Table 4.10.

Table 4.10 Supplier Management Capacity

Supplier Management Capacity	N	Min	Max	M	SD
Our suppliers have adequate human resources to carry out business with the government	36	1	5	2.14	1.50
Our supplier management capacity for procurement positively affects our performance	36	1	5	2.92	1.20

Our supplier's management expertise and competence in procurement selection criteria influences our performance	36	1	5	2.47	1.40
Our supplier financial management capacity meets the standard requirements and positively influences our performance.	36	1	5	3.75	1.42
Average Score	**36**	**1**	**5**	**2.82**	**1.38**

The statement with the lowest average score under the supplier management capacity dimension was whether suppliers had adequate human resources to carry out business with the government (M = 2.14, S.D = 1.50), which was less than the composite score for the dimension (M = 2.82, S.D = 1.38) inferring that the respondents disagreed with the statement. The statement with the highest mean score was on whether the supplier's financial management capacity met the standard requirements and positively influenced organizational performance. (M = 3.72, S.D = 0.866) and respondents agreed with the statement.

4.8.5 Organizational Performance

The study sought to confirm from the respondents, on a scale of 1-5, the degree to which numerous statements relating to organizational performance were applicable in their organization. The results of the responses were as shown in Tables 4.11.

Table 4.11 Organizational Performance

Organizational Performance

Efficiency	**N**	**Min**	**Max**	**M**	**SD**

Supplier selection criteria used by our organization leads to good Customer experience and hence improved performance	36	1	5	3.61	1.29
Supplier selection criteria ensure compliance to regulatory requirements and hence improves performance.	36	1	5	3.89	1.37
Supplier compliance to regulatory requirements leads to financial efficiency and hence performance of the Water Resources Authority.	36	1	5	2.19	1.47
Supplier compliance to regulatory requirements ensures zero involvement with the regulatory agencies, hence the completion of projects on time and improved performance of the Water Resources Authority.	36	1	5	3.08	1.56
Supplier quality assurance compliance leads to minimum waste of materials during delivery hence influencing the performance	36	1	5	3.14	1.55
Average Score	**36**	**1**	**5**	**3.18**	**1.45**
Financial Effectiveness	**N**	**Min**	**Max**	**M**	**SD**
E-procurement capacity of our suppliers enables timely project completion positively influencing the performance	36	1	5	3.11	1.45
E-tendering and tender delivery of our suppliers leads to quality and timely deliveries positively influencing the performance	36	1	5	3.19	1.47
Automated E-procurement capacity of procurement activities by our suppliers positively influences the Performance	36	1	5	3.17	1.50

E-Procurement capacity of our suppliers leads to financial efficiency	36	1	5	2.36	1.38
Average Score	**36**	**1**	**5**	**2.96**	**1.45**
Customer Experience	**N**	**Min**	**Max**	**M**	**SD**
Supplier quality assurance compliance of our suppliers leads to quality services and products and hence improved performance	36	1	5	3.14	1.44
Supplier quality assurance compliance results in minimum lead times in product and service delivery to our customers.	36	1	5	3.44	1.42
Supplier delivery capacity promotes good customer experience positively hence influencing efficiency	36	1	5	3.69	1.28
Supplier quality assurance compliance leads to customer satisfaction in product and service delivery	36	1	5	3.00	1.55
Average Score	**36**	**1**	**5**	**3.32**	**1.42**

The efficiency dimension of organizational performance was measured using a total of five statements with an average mean score of (M = 3.18, S.D = 1.45). The statement with the lowest mean score (M = 2.19, S.D = 1.47) was on whether supplier compliance to regulatory requirements leads to financial efficiency and a majority of the participants disagreed with this statement. In contrast, participants agreed with the statement "supplier selection criteria ensure compliance to regulatory requirements and hence improves performance". This statement had the highest mean score among all the statements (M = 3.89, S.D = 1.37).

The results indicated that the average scores of the four statements used to operationalize financial effectiveness were (M = 2.96, S.D = 1.45). The statement with the uppermost mean score (M = 3.19, S.D = 1.47) was on whether e-tendering and tender delivery of their suppliers led to quality and timely deliveries thus positively influencing the performance. This implies that the majority of participants agreed with this statement. On the other hand, respondents were neutral regarding the statement "e-procurement capacity of our suppliers leads to financial efficiency". This statement had the lowermost mean score among all the statements (M = 2.36, S.D = 1.38).

The statement with the lowermost average score under the customer experience dimension was on whether supplier quality assurance compliance led to customer satisfaction in product and service delivery (M = 3.00, S.D = 1.55), which was lower than the composite score for the dimension (M = 3.32, S.D = 1.42) implying that the participants neutral with respect to this statement. The statement with the highest mean score was on whether supplier delivery capacity promotes good customer experience positively thus influencing efficiency. (M = 3.69, S.D = 1.28) and the participants agreed with the statement.

4.9 Regression Analysis

The key objective of the study was to assess the influence of supplier selection criteria on the performance of public corporations in Kenya using Water Resource Authority as a case study. The independent variables under study were management capacity, regulatory

compliance assessment, e-procurement capacity, quality assurance assessment. Regression analyses were done based on the explicit objectives of the study.

4.9.1 Supplier Regulatory Compliance and Organizational Performance

Table 4.12 shows the empirical results of the relationship between supplier regulatory compliance and organizational performance which was the first objective of the study.

Table 4.12: Summary of the Model

Model	R	R^2	Adj. R^2	SEE
1	0.844*	0.712	0.704	0.63277

Predictors: (Constant), Supplier Regulatory Compliance

Source: Research Findings (2021)

From the model summary Table 4.12, the correlation coefficient ($r = 0.844$, $p < 0.05$) shows that there was a strong positive and significant correlation between supplier regulatory compliance and organizational performance. The coefficient of determination (R^2) suggests that 71.2% of the variation in organizational performance is explained by the supplier regulatory compliance while the remaining 28.8% is accounted for by other factors not taken into consideration in this study.

Table 4.13: Analysis of Variance (ANOVA)

	Squares (Sum)	df	Squares (Mean)	F	p-value
Regression	33.718	1	33.718	84.211	0.000
Residual	13.613	34	0.400		
Total	47.331	35			

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Regulatory Compliance

Source: Research Findings (2021)

The findings in table 4.13 show that the overall regression model generated is statistically significant in predicting the relationship between supplier regulatory compliance and organizational performance. The significance value in testing the reliability of the overall model for the relationship was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level as indicated by the ANOVA Table 4.13 ($F = 84.211$, $p < 0.05$). This suggests that the sample data used was ideal for making conclusions about the population parameters.

Table 4.14: Regression Coefficients

Model	Coefficients Unstandardized		Coefficients Standardized		
	Beta	**SE**	**Beta**	**t**	**p**
Constant	-0.176	0.378		-0.465	0.645
Supplier Regulatory Compliance	0.930	0.101	0.844	9.177	0.000

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Regulatory Compliance

Source: Research Findings (2021)

As indicated in Table 4.14, the empirical findings revealed that there was a positive and statistically significant effect of supplier regulatory compliance and organizational performance ($\beta = 0.930$, $t = 9.177$, $p = < 0.005$). This suggests that a unit increase in

supplier regulatory compliance leads to a corresponding improvement in organizational performance by 0.93 units. The final prediction model is as specified below;

$$\mathbf{Y= -0.176 + 0.930X}$$

The outcome of this study agrees with those of Muturi and Onyango (2016) who suggested that one of the basic factors of procurement law is the level of awareness or familiarity with the procurement regulations which in turn improves performance in the organizations. Similarly, the results also confirm the findings of Cherop (2015 who suggested that enforcement actions and increased penalties lead to greater levels of compliance with the laws and that corruption among government procurement officials. The empirical findings of this study contradict those of Namusonge and Makokha (2017) who established that familiarity with the regulations may not necessarily bring about compliance and that it may bring about smarter suppliers to overcome the gaps inherent in the regulations to their advantage.

4.9.2 E-Procurement Capacity and Organizational Performance

Table 4.15 shows the empirical findings of the relationship between e-procurement capacity and organizational performance which was the second objective of the study.

Table 4.15: Summary of the Model

Model	R	R^2	Adj. R^2	SEE
1	0.922*	0.849	0.845	0.45812

Predictors: (Constant), E-Procurement Capacity

Source: ***Research Findings (2021)***

Table 4.15 shows the correlation coefficient denoted by R ($r = 0.922$, $p < 0.05$). This suggests that e-procurement was strongly and significantly positively correlated with performance. Furthermore, the coefficient of determination (R^2) confirms that nearly 84.9% of the variation in organizational performance is as a result of e-procurement capacity while the remaining 15.1% is accounted for by other factors not taken into consideration in this study.

Table 4.16: Analysis of Variance

	Squares (Sum)	df	Squares (Mean)	F	p-value
Regression	40.195	1	40.195	191.521	0.000
Residual	7.136	34	0.210		
Total	47.331	35			

Dependent Variable: Organizational Performance

Predictors: (Constant), E-Procurement Capacity

Source: Research Findings (2021)

The regression output in table 4.16 indicates that the overall regression model produced is statistically significant in predicting the link between e-procurement capacity and organizational performance. The significance value in assessing the reliability of the overall regression model for the relationship was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level as shown by the ANOVA Table 4.16 ($F = 191.521$, $p < 0.05$). This implies that the sample data employed was perfect for making conclusions about the population parameters.

Table 4.17: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	**SE**	**Beta**	**t**	**Sig.**
Constant	0.165	0.229		0.720	0.476
E-Procurement Capacity	0.196	0.066	0.922	13.839	0.000

Dependent Variable: Organizational Performance

Predictors: (Constant), E-Procurement Capacity

Source: Research Findings (2021)

As specified in Table 4.17, the study findings indicate that e-procurement capacity was a positive and significant predictor of organizational performance ($\beta = 0.196$, $t = 13.839$, $p = < 0.005$). This suggests that a unit increase in e-procurement capacity results in an equivalent improvement in organizational performance by 0.196 units. The final prediction model is as specified below;

$$\mathbf{Y= 0.165+ 0.196X}$$

This study findings correspond with Thanga and Kwasira (2016) who found out that supplier selection criteria should involve technological savviness because technological adaptation has a significant influence on organizational performance. Furthermore, Kennedy and Kiarie (2015) established that e-procurement software application in the procurement function leverages the latest technology capabilities to integrate and enhance supplier-oriented processes along the supply chain and hence performance. Similar findings are reported by Mwangangi and Mwangi (2014) who established that e-procurement practices have a significant influence on organizational performance due to efficiency and effectiveness. Moreover, the findings of this study are in line with those

Muema (2017) who established a significant relationship between telecommunication and organizational performance. However, the findings are contrary to those of Mwenga (2016) who established that e-procurement may not automatically lead to improved performance.

4.9.3 Supplier Quality Assurance and Organizational Performance

Table 4.18 presents the empirical results of the relationship between supplier quality assurance and organizational performance which was the third objective of the study.

Table 4.18: Summary of the Model

Model	R	R^2	Adj. R^2	SEE
1	0.890*	0.792	0.786	0.53838

Predictors: (Constant), Supplier Quality Assurance

Source: ***Research Findings (2021)***

Table 4.18 shows the correlation coefficient symbolized by R ($r = 0.890$, $p < 0.05$). This implies that supplier quality assurance was strongly and significantly positively correlated with organizational performance. Moreover, the coefficient of determination (R^2) suggests that 79.2% of the variation in organizational performance is due to supplier quality assurance while the remaining 20.8% is accounted for by other factors not taken into consideration in the regression model under investigation.

Table 4.19: Analysis of Variance

	Squares (Sum)	df	Squares (Mean)	F	p-value
Regression	37.476	1	37.476	129.294	0.000
Residual	9.855	34	0.290		
Total	47.331	35			

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Quality Assurance

Source: Research Findings (2021)

The empirical results in table 4.19 suggest that the overall regression model produced is statistically significant in predicting the association between supplier quality assurance and organizational performance. The significance value in assessing the reliability of the overall estimation model for the relationship was obtained as 0.000 which is less than 0.05, the critical value at 95% significance level as indicated in the ANOVA Table 4.19 ($F = 129.294, < 0.05$). This suggests that the sample data utilized was perfect for making conclusions about the population characteristics.

Table 4.20: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	SE	Beta	t	Sig.
Constant	0.416	0.257		1.617	0.115
E-Procurement Capacity	0.824	0.072	0.890	11.371	0.000

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Quality Assurance

Source: Research Findings (2021)

As indicated in Table 4.20, the regression output suggests that the effect of supplier quality assurance on organizational performance was positive and significant ($\beta = 0.824$, $t = 11.371$, $p = < 0.005$). This implies that a unit increase in supplier quality assurance results in an improvement in organizational performance by 0.824 units. The final prediction model is as specified below;

$$\mathbf{Y= 0.416+ 0.824X}$$

These findings of the current study are in line with those of Makori and Muturi, (2018) who established that automation, quality dimensions had a significant influence on the performance of the health institutions in Kenya. Similarly, these findings concur with the findings in a study by Ngunyi (2014) who suggested established that supplier quality selection criterion is a measure of product or service technical compliance to quality specifications. The study concluded that quantity, compliance with a due date, compliance with packaging standards, production planning systems of suppliers, and maintenance activities of suppliers and material maintenance processes are key supply selection criteria that dictate the performance of key public organizations in Kenya.

4.9.4 Supplier Management Capacity and Organizational Performance

Table 4.21 shows the results of the relationship between supplier quality assurance and organizational performance which was the fourth objective of the study.

Table 4.18: Summary of the Model

Model	R	R^2	Adj. R^2	SEE
1	0.946	0.894	0.891	0.38376

Predictors: (Constant), Supplier Management Capacity

Source: ***Research Findings (2021)***

Table 4.21 displays the correlation coefficient represented by R ($r = 0.946$, $p < 0.05$). This suggests that supplier management capacity was strongly and significantly positively correlated with organizational performance. Additionally (R^2) shows that 89.4% of the variation in organizational performance is due to supplier management capacity whereas the remaining 10.6% is accounted for by other factors not taken into consideration in the regression model under investigation.

Table 4.22: Analysis of Variance

	Squares (Sum)	df	Squares (Mean)	F	p-value
Regression	42.324	1	42.324	287.385	0.000
Residual	5.007	34	0.147		
Total	47.331	35			

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Management Capacity

Source: Research Findings (2021)

The study findings in table 4.22 show that the overall regression model generated is statistically significant in predicting the relationship between supplier management capacity and organizational performance. The significance value in evaluating the reliability of the overall regression model for the relationship was established as 0.000

which is less than 0.05, the critical value at 95% significance level as presented in the ANOVA Table 4.22. (F = 287.385, < 0.05). This means that the sample data utilized was perfect for making conclusions about the population parameters.

Table 4.23: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	Beta	**SE**	**Beta**	**t**	**Sig.**
Constant	0.589	0.164		3.587	0.001
Supplier Management Capacity	0.910	0.054	0.946	16.952	0.000

Dependent Variable: Organizational Performance

Predictors: (Constant), Supplier Management Capacity

Source: Research Findings (2021)

As indicated in Table 4.23, the regression output indicates that the effect of supplier management capacity on organizational performance was positive and significant (β = 0.910, t = 16.952, p = < 0.005). This suggests that a unit increase in supplier management capacity leads to improvement in organizational performance by 91%. The final prediction model is as specified below;

$$\mathbf{Y= 0.589 + 0.910X}$$

The findings of this study are in line with those of Kenedy and Kiarie (2015) who established that resource allocation and staff competency positively affected procurement performance and therefore a positive correlation. Similarly, the results are consistent with

those who established that management capability is the managerial effort necessary for creating an operating environment in which a manufacturer can integrate its supplier capabilities into its operational processes. Furthermore, the current findings reflect those of Mbuchi and Kwasira (2016) who found out that suppliers and their financial structure which are predictors of management capability to do business based on history have a positive relationship with organizational performance.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents, a summary of empirical findings, conclusions drawn from the estimation results, and recommendations made based on research findings. The objectives of the study guide the conclusions and recommendations made.

5.2 Summary of the Key Findings

The overall objective of the empirical study was to determine the influence of regulatory compliance on performance on the Water Resource Authority. To achieve this objective, primary data was collected using a sample of employees of the Water Resource Authority. In terms of gender, study findings revealed that the majority of the employees were male. The findings also showed that the majority of the employees had worked for less than 3 years. Furthermore, the majority of the employees have served in the current position for more than 10 years. Regarding the level of education, the majority of the respondents had attained university education.

The 1st objective was to determine the influence of supplier regulatory compliance on the performance of the Water Resource Authority. The findings revealed that there was a positive and significant relationship between supplier regulatory compliance on organizational performance. Furthermore, supplier regulatory compliance was strongly and positively correlated with organizational performance.

The 2nd objective was to establish the effect of e-procurement capacity on the performance of public corporations using the case of the Water Resources Authority. The correlation analysis results suggest that e-procurement capacity was strongly and strongly positively correlated with organizational performance. Moreover, the regression results revealed that there was a positive significant influence of e-procurement capacity on organizational performance

The 3rd objective was to examine the influence of service quality assurance system compliance on the performance of public corporations; using the case of the Water Resources Authority. The findings confirmed that service quality assurance was strongly and significantly positively correlated with organizational performance. The empirical findings suggest that service quality assurance was a positive significant predictor of organizational performance.

The fourth objective was to assess the effect of supplier management capacity on the performance of the Water Resources Authority. Study findings revealed that there was a positive and significant relationship between supplier management capacity and organizational performance. Moreover, the correlation analysis results showed that supplier management capacity was strongly and significantly positively correlated with organizational performance.

5.3 Conclusions

Numerous conclusions were made based on the empirical findings. Supplier regulatory compliance was found to positively and insignificantly influence organizational performance. Therefore, from the findings, it was concluded that improvement in supplier regulatory compliance will result in enhanced organizational performance.

E-procurement capacity was established to significantly affect the performance of supermarkets. Furthermore, the estimated influence of e-procurement capacity on performance was found to be positive. Consequently, from the empirical results, it was concluded that improved e-procurement capacity enhances organizational performance.

There was a significant influence of supplier quality assurance on organizational performance. Likewise, the effect of supplier quality assurance was established to be positive. This was a confirmation that the performance of the Water Resources Authority was influenced by supplier quality assurance. Therefore, based on the estimation results, the conclusion drawn was that enhanced supplier quality assurance led to improved organizational performance.

Finally, supplier management capacity was significantly affected by organizational performance. Likewise, supplier management capacity was found to influence the performance of the Water Resources Authority. This suggests that the performance of the Water Resource Authority was significantly and positively influenced supplier

management capacity. From the empirical findings, it was concluded that supplier management capacity resulted in improved organizational performance.

5.4 Recommendations

First, the study recommends that Water Resources Authority should ensure that its processes conform to the regulatory requirements of the government for this will impact its performance. Furthermore, the Water Resources Authority should tighten its supplier selection criteria processes to ensure that only the suppliers who comply with the government supplier regulation agencies check on regulatory hurdles that negatively impact performance.

Second, the study recommends that Water Resources Authority should use technology to secure its supplier selection criteria and help its suppliers comply with the e-procurement capacity for improved performance. This will reduce risks of fraud and other malpractices and hence help to improve the performance of the Water Resources Authority.

Third, the study recommends that Water Resources Authority should enforce supplier quality assurance compliance. This will enhance its customer satisfaction and have a positive impact on its performance. The study recommends that the Water Resources Authority should subject suppliers to continuous improvement standards.

Fourth, the study recommends that Water Resources Authority should enhance supplier management capacity to boost the supplier's capacity to deliver and hence improve the organizational performance.

5.5 Areas for Further Research

The current study solely relied on non-financial indicators of performance. Since performance is a multi-faceted construct comprising of s both financial and non-financial indicators, future studies should amalgamate both metrics or rather focus on financial indicators to establish whether similar results will be confirmed. Moreover, other measures of supplier selection criteria should be used in the future because the construct is multi-dimensional.

The current study only focused Water Resources Authority. Further studies should consider other contexts of the study and more specifically the private sector, for instance, a similar study can be replicated in other contexts such as the banking, insurance, and manufacturing sectors to determine whether contextual variations in terms of regulatory and cultural variations leads into mixed findings.

The current study focuses only on two variables; implying that it is bivariate in nature. Nonetheless, there is sufficient evidence from empirical literature that suggests that the relationship between supplier selection criteria and the performance is indirect since it is influenced by other external factors popularly referred to as control variables such as size, age, and leverage. Future studies should consider using moderating and mediating variables to examine the hypothesized linkage.

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APPENDICES

APPENDIX 1: RESEARCH QUESTIONAIRE

INTRODUCTION TO THE RESEARCH QUESTIONNAIRE

I am a Master's student named Samuel Muthike Mutuku, a Master's of Business Administration degree candidate at St Paul's University. I am researching procurement practice as part of the requirements for graduation. The title of my research is

"**INFLUENCE OF SUPPLIER SELECTION CRITERIA ON PERFORMANCE OF PUBLIC CORPORATIONS IN KENYA: A CASE OF WATER RESOURCES AUTHORITY (WRA)"**

INFORMATION TO THE RESPONDENTS

This is to confirm that the information gathered during this research will be confidential and will not be used elsewhere apart from research and academic purposes. I therefore kindly request you to fill the questionnaire attached to help me gather data to complete my academic requirement.

SECTION A: DEMOGRAPHIC DATA

1. Gender: Male [] Male [ ]
2. The number of years worked in the organization?
   a) 3 years and below [ ]
   b) Between 4-6 years [ ]
   c) Between 7-10 years [ ]
   d) More than 10 years [ ]
3. Years have you worked in the current position?
   a) Below 3 years [ ]
   b) 4-6 years [ ]
   c) 7-10 years [ ]
   d) More than 10 years [ ]

4. Level of education?
   a) Diploma [ ]
   b) First Degree [ ]
   c) Masters [ ]
   d) PhD [ ]

SECTION I: SUPPLIER SELECTION CRITERIA

Below are different statements about strategy implementing factors in the Water Resource Authority? Please express your opinion as to the level of agreement with each of the statements by ticking in the appropriate box indicated. The Likert scale will use a scale of 1-5 where: 1-Strongly disagree; 2-Disagree; 3-Neutral 4- Agree 5-Strongly agree

A	**Supplier Regulatory Compliance**	**1**	**2**	**3**	**4**	**5**
5	Our organization adheres to all legal requirements in its procurement activities					
6	Our organization deals with suppliers who are dully registered with the government					
7	Our Organization carries out business with suppliers registered with supplier regulation agencies.					
8	Our organization follows the procurement procedure as the public procurement and asset disposal Act 2015					
B	**E- Procurement Capacity**					
9	Our organization does business with a supplier who can respond to requests for quotation through E-Systems					
10	Our organization deal with suppliers with e-sourcing capacity					
11	Our organization does float its tenders through the e-tendering method					
12	Our suppliers have complied with all e-procurement requirements					

C)	**Supplier Quality Assurance**					
13	Our prequalified suppliers are compliant with National quality assurance guidelines					
14	Our suppliers comply with minimal lead times between orders and deliveries					
15	Our suppliers are subjected to product and service continuous improvement					
16	Our suppliers have minimal product and service waste ratios in their deliveries					
D)	**Supplier Management Capacity**					
17	Our suppliers have adequate human resources to carry out business with the government					
18	Our supplier management capacity for procurement positively affects our performance					
19	Our supplier's management expertise and competence in procurement selection criteria influences our performance					
20	Our supplier financial management capacity meets the standard requirements and positively influences our performance.					

SECTION II: ORGANIZATIONAL PERFORMANCE

Below are different statements about strategy implementing factors in Water Resources Authority? Please express your opinion as to the level of agreement with each of the statements. The Likert scale will use a scale of 1-5 where: 1-Strongly disagree; 2-Disagree; 3-Neutral 4- Agree 5-Strongly agree

	Items	**1**	**2**	**3**	**4**	**5**
	Efficiency					
21	Supplier selection criteria used by our organization leads to good Customer experience and hence improved performance					
22	Supplier selection criteria for ensures compliance to regulatory requirements and hence improved performance of our customer satisfaction					
23	Supplier compliance to regulatory requirements					

	leads to financial efficiency and hence performance.					
24	Supplier selection compliance to regulatory requirements ensures zero involvement with the regulatory agencies, hence the completion of projects on time and improved performance.					
25	Supplier quality assurance compliance leads to minimum waste of materials during delivery hence influencing the performance					
	Financial Effectiveness					
26	The E-procurement capacity of our suppliers generally influences the performance.					
27	E-tendering and tender delivery of our suppliers influences the performance.					
28	Automated E-procurement capacity to process our company procurement activities influences the performance.					
29	E-Procurement capacity of our suppliers leads to financial efficiency					
	Customer Experience					
30	Supplier Quality assurance compliance of our suppliers leads to quality services and products and hence improved performance.					
31	Supplier Quality assurance compliance results in minimum lead times influencing the performance					
32	Supplier management capacity influences good customer experience and organizational performance through efficiency					
33	Supplier quality assurance compliance leads to customer satisfaction in product and service delivery					

END OF QUESTIONNAIRE

APPENDIX 2: RESEARCH WORK PLAN

DATE	SPECIFIC TASK	COMMENTS
February 2020	Agreeing in the statement of the problem and Research Objects	
March 2020	Literature Review Theoretical and empirical Literature	
April 2020	Research Methodology	
May 2020	Developing the research questionnaire	
August -December	Data collection	
January -2021 February	Data analysis and Chapter 4	
March -April 2021	Chapter 5 and report writing	

APPENDIX 3: RESEARCH BUDGET

DATE	SPECIFIC TASK	Budget	Cost (ksh)
February 2020	Agreeing in the statement of the problem and Research Objects	Air time for internet	2,000.00
March 2020	Literature Review Theoretical and empirical Literature	Internet and printing	2,500.00
April 2020	Research Methodology	Internet and printing	3,000.00
May 2020	Developing the research questionnaire	Internet and printing	2,000.00
Total Budget			**12,500.00**

APPENDIX 4: LETTER OF AUTHORITY TO CARRY OUT THE STUDY AT THE WATER RESOURCE AUTHORITY.

B/4

Samuel Muthike Mutuku
St Pauls University
P.O Box Private Bag
LIMURU
17th November 2020



The Chief Executive Officer
Water Resources Authority (WRA)
NHIF Building, Nairobi.
P.O Box 45250-00100
NAIROBI

Dear Sir,

RE: PERMISSION TO CARRY OUT RESEARCH ON THE WATER RESOURCES AUTHORITY

I humbly request your authority to carry out an academic research in your organisation. I am a student of St Pauls university, Machakos campus studying a Master of Business Management Procurement and Supply Chain Management. It is a requirement that one carries out a practical academic research work to be allowed to graduate.

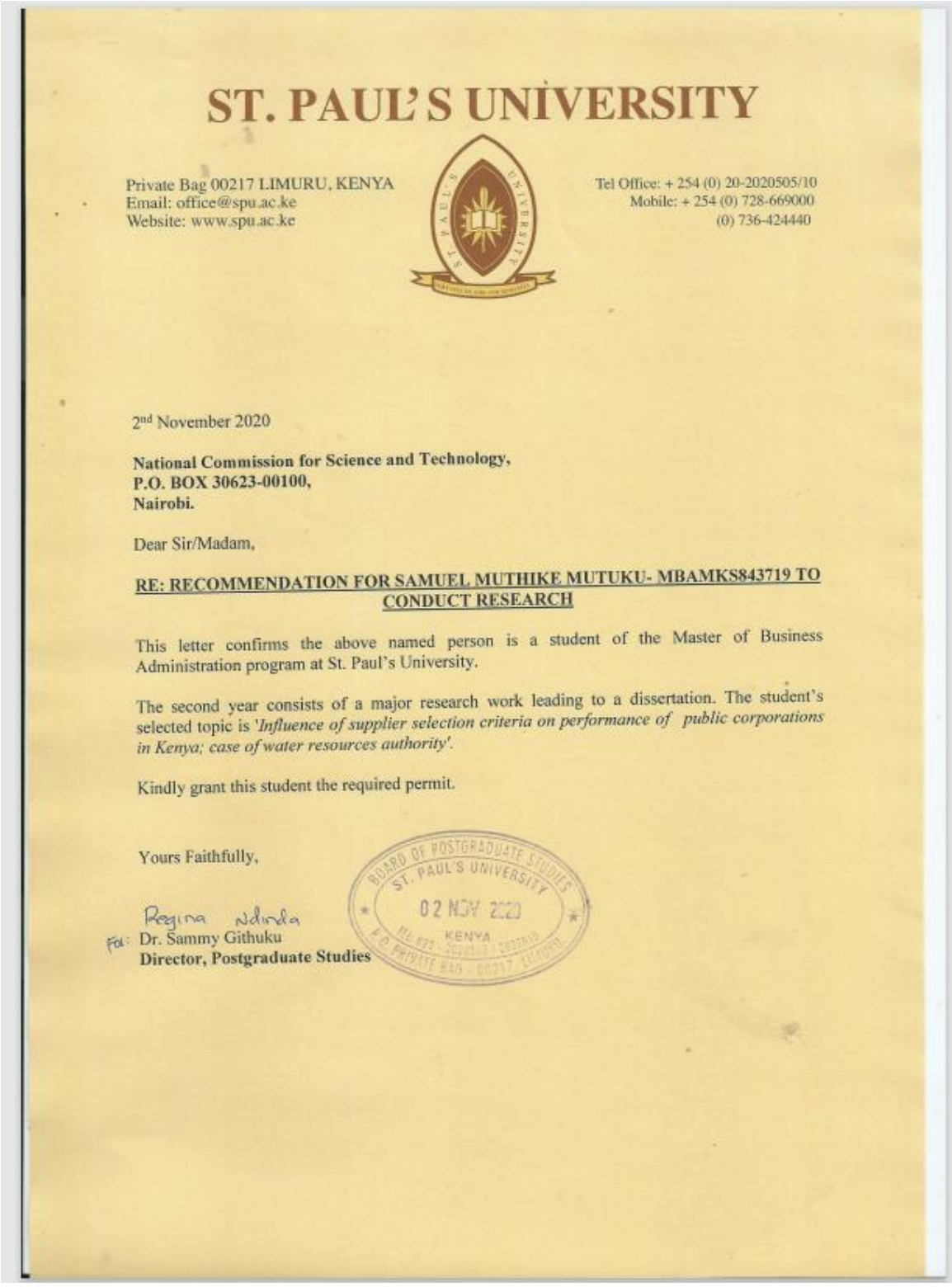
It is upon this background that I request your permission to carry out this academic research work in your organisation. My research topic is "*Influence of Supplier Selection Criteria on the performance of Public Corporations, the case of Water Resource Authority*".

I hereby reiterate that the results of the study will be purely academic and can be shared with the Water Resource Authority. Furthermore, the opinions of individual participants will be safeguarded and that the report will not be used to undermine the existence of the Water Resource Authority.

Yours Sincerely,

Samuel M. Mutuku

APPENDIX 5: INTRODUCTION AND PERMISSION TO CARRY OUT RESEARCH ON TOPIC APPROVED.



ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: office@spu.ac.ke
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(0) 736-424440

2nd November 2020

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR SAMUEL MUTHIKE MUTUKU- MBAMKS843719 TO CONDUCT RESEARCH

This letter confirms the above named person is a student of the Master of Business Administration program at St. Paul's University.

The second year consists of a major research work leading to a dissertation. The student's selected topic is '*Influence of supplier selection criteria on performance of public corporations in Kenya; case of water resources authority*'.

Kindly grant this student the required permit.

Yours Faithfully,

BOARD OF POSTGRADUATE STUDIES
ST. PAUL'S UNIVERSITY
02 NOV 2020
KENYA

Regina Ndinda
For: Dr. Sammy Githuku
Director, Postgraduate Studies

APPENDIX 6. AUTHORITY FROM NACOSTI TO CARRY OUT RESEARCH ON TOPIC AUTHORISED.

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **792709**

Date of Issue: **13/November/2020**

RESEARCH LICENSE



This is to Certify that Mr.. SAMUEL MUTHIKE MUTUKU of St. Paul's University, has been licensed to conduct research in Nairobi on the topic: Influence of supplier selection criteria on performance of public corporations in Kenya; case of water resources authority. for the period ending : 13/November/2021.

License No: **BAHAMAS ABS/P/20/7688**

792709

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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