

**EFFECT OF ELECTRONIC PROCUREMENT ON ORGANIZATIONAL
PERFORMANCE AMONG COMMERCIAL STATE CORPORATIONS**

ESTHER SYOKWIA NGUTA

BBM/113/00833

**A PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF A DEGREE IN BUSINESS MANAGEMENT
(PURCHASING AND SUPPLIES MANAGEMENT) OF MOUNT KENYA UNIVERSITY**

OCTOBER 2015

ABSTRACT

Driven by the increasing trend toward purchasing inputs and other raw materials from outside the organization, implementing electronic procurement has become a significant tactic in most companies. A study was conducted on electronic procurement and organizational performance among commercial state corporations in Kenya. The study aimed to achieve two objectives: To establish the extent to which state corporations have adopted e-procurement and to find the effects of e-procurement on the performance of commercial state corporations in Kenya. The study adopted a descriptive research design where a sample size of 40 respondents who were selected through stratified sampling was involved in the study. Primary data was collected from supply chain officers by use of a questionnaire. The data was analyzed and presented in tables, pie charts and histograms. A regression was also conducted to establish the relationship between e-procurement and performance.

The findings indicate that commercial state corporations in Kenya have adopted e-procurement but there are several functions they still perform manually. These include, short listing of suppliers, call for proposals and tendering process. It was also established that e-procurement has led to cost reduction, improved transparency, and accountability among others. The study encountered limitations such inadequate time and finances to exhaust all the aspects of electronic procurement and organizational performance well as uncooperative respondents who were unwilling to fill the questionnaires due to the high degree of confidentiality required among the state corporations in Kenya.