

Factors Affecting Procurement Performance of Star Rated Hotels in Mombasa County, Kenya

Everline Chebet¹, Dr. Anwar Ahmed², Samson Kitheka³

^{1,2,3} School of Business, Technical University of Mombasa, Mombasa, Kenya

Abstract: Efficient Procurement is a key driver in overall organizational performance. Despite the fact, research on procurement performance in the hotel industry has received little or no focus especially in the developing economies. This study therefore trove to establish the factors that affect procurement performance of star rated hotels in Mombasa County, Kenya. Focus was given to supplier development, information technology and staff competency to establish their impact on procurement performance. Stratified random sampling technique with respect to the unit of analysis which is the star rated hotels in Mombasa County was used to determine the sample size where the hotels were first grouped into their relevant stratums (5 star, 4 star, 3 star, 2 star and 1 star) and their actual representation in the population identified then 50% picked from each stratum resulting into 26 hotels. Questionnaires were used to collect primary data from the procurement managers as they are well versed with the data required. The data collected was analyzed using descriptive statistics to determine the mean, standard deviation, minimum and maximum of the various variables. Statistical package for social sciences (SPSS 20.0) was used in analyzing the data to find out the relation between the independent and the dependent variables. The relationship between the dependent and the independent variables was determined using a multiple regression analysis where all the three independent variables showed some level of significance at the 95% confidence level. The strength of the relationship between the variables was determined using a Pearson correlation coefficient (r). The independent variables (supplier development, information technology and staff competency) had a positive correlation to procurement performance hence an increase in the factors resulted to improved procurement performance of the star rated hotels. Therefore the procurement managers together with other cross sectional managers should focus on activities that improve the factors in question for the best procurement performance and ultimate competitiveness and success of the star rated hotels.

Keywords: Procurement, Supplier Development, Information Technology, Staff Competency, Star Rated Hotel.

I. INTRODUCTION

Nowadays, organizations have been forced to reinvent their regulations with customers and suppliers due to the weakening global economic conditions. Procurement being a crucial role in most organizations can assist in achieving sustainability and the ultimate performance goals through lowering of costs throughout the procurement process by focusing on value addition (Ebrahim, 2010). Procurement involves the whole process of acquiring goods and or services and it begins the moment an organization identifies a need and decides on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract (Musau, 2015).

A substantial portion of firm's resources and time is utilized in the procurement process hence its proper management is paramount. It is necessary for every firm to maintain an efficient and effective procurement function to cut administration cost and to keep abreast of the market conditions to procure material and services at the right price, quality and time (Kasisi, Mumo & Mwangi, 2014). To achieve an efficient and effective procurement process, bottlenecks must be removed and rewards distributed in an equitable way to key players in the process with the working principle being the creation of customer satisfaction at the end (Chimwani, Iravo & Tirimba, 2014). For decades, procurement performance has been attracting great attention from practitioners, academicians and researchers due to poor performance. An adoption of e-procurement has rapidly increased since 1990's yet organizations still face challenges associated with its advent and

use (Kimani, 2013). Studies on procurement performance on Kenyan firms especially in the service sector and in particular, the tourist hotel industry that is core to the Kenyan economy, are not explicit. It is therefore, important to focus on the procurement performance in the tourist hotel industry in these developing economies.

II. STATEMENT OF THE PROBLEM

Procurement is one of the links in the supply chain and as such can have a significant influence on the overall success of the organization (Ngwili & Were, 2014). Purchasing must satisfy the firms long-term supply needs and support the firms capabilities to produce goods and any organization, whether it be a retailer, services provider, or manufacture (Musau, 2015). The performance of both the internal and external supply chains depends on how well the procurement is performing (Uyarra & Flanagan, 2010).

Generating saving through procurement system improvement is done now almost routinely in the manufacturing sector, where the procurement function helps companies to respond quickly to market changes (Kimani, 2013). It is clear that although significant levels of success have been reported among manufacturing industries with regard to procurement function such success has not been widely replicated among hospitality industry (Akenroye, Ojo & Aju, 2012). Studies show how inherent weaknesses in procurement function in the hotel sector (Odoom, 2012). However, some justifications as to why hotels sector tend to exhibit weakness in their procurement practices have been advanced by various writers. Hospitality deliberately exhibit a wide disjoint between corporate goals and the strategies for achieving those goals on one hand and the procurement goals and strategies on the other. For instance whereas manufacturing industry create strong structured supply chain relationships based on the cost benefit principle, hospitality tend to create supply chains based more on the social rather than economic factors. Hotels industry, also, lack structured capacities to build strong relationships with suppliers and customers (Pai, 2012).

However, most of these studies are concentrated on European and American firms and focused mainly on the manufacturing and government institutions. It is worth noting, that the socio-economic as well as other fundamentals that influence the success of procurement function in the hotel industry in developed economies are completely different from those in developing countries. In addition, these studies may not be representative of Kenyan scenario or that of other developing economies; therefore, this study sought to bridge the gap by trying to find out the factors affecting procurement performance in tourist hotel industry in Kenya.

Objectives of the Study:

The overall objective of this study was to establish the factors affecting procurement performance of the star rated hotels in Mombasa County.

Specific Objectives:

1. To establish the effect of supplier development on procurement performance of the star rated hotels in Mombasa County.
2. To establish the effect of information technology on procurement performance of the star rated hotels in Mombasa County.
3. To establish the effect of staff competency on procurement performance of the star rated hotels in Mombasa County.

III. LITERATURE REVIEW

The existing literature on working capital contributed to the development of this study. Existing literature has shown that there is quite a significance between various factors and procurement performance. However, the theoretical and the empirical literature demonstrate that, the existing literature on factors affecting procurement performance in the private sector is not extensive in Africa and in Kenya in particular. A lot of studies on the factors affecting procurement are actually more in many developed and stable economies such as Europe, America and Canada. A study by Karanja and Kiarie (2015) proposed the development of guidelines and policies to streamline procurement in the private sector as it is in the public sector. However, the study did not provide clear suggestions on how private organizations can design and implement effective procurement policies for best practice and consequently optimal procurement practices. In Kenya most African countries there is lack of a specific study that highlights how the private sector and especially the hotel industry can improve on procurement policies in order to create a guiding framework for implementing effective procurement practices.

Many commentators criticize the existing theories that explain factors that influence procurement performance. There is no accurate measurement of procurement performance because purchasing is not an isolated function; purchasing performance is the result of many activities which, due to their intangible character, are difficult to evaluate. A study by Kiage (2013) on how planning, resource allocation, staff competency and contract management affects procurement performance; fails to conclusively measure performance. Generally, direct input – output relationships are difficult to identify which seriously limits the possibility of measuring and evaluating purchasing activities in an accurate and comprehensive way. Uniform procurement measurement systems provide a challenge because purchasing is not a homogenous activity and with such factors as status, responsibilities, organization, policies and procedures, it differs widely from one enterprise to another.

Various studies on procurement performance have factored information technology and findings have proved it plays a major role in enhancing sustainable procurement practices. This is true for both public and private sector where information technology has not been embraced especially in Kenya and other developing countries. Despite the recommendations by several studies like Ngwili and Were (2014); Chimwani, Iravo and Tirimba (2014) for organizations to embrace e- procurement, they do not clearly elaborate how organizations should innovate technology to succeed in implementing efficient procurement. Although most benchmarking studies note that most organizations can realize increased level of performance if effective procurement measures were put in place, they do not offer any practical explanation of measures to be used to support implementation of these effective procurement practices and especially in the hotel industry.

Previous studies in the developing countries have shown that many organizations have succeeded in improving effective procurement performance through application of strategic sourcing strategies such as global sourcing, multiple sourcing and supplier development. However, there does not exist studies that explain how each of the sourcing strategies can support implementation of effective procurement practices in the developing world especially the Kenyan hotel industry. This indicates that, there lacks a specific study that clearly recommends the best sourcing strategies and development for supporting improved procurement performance in the hotel industry.

Existing literature points out theories that explain the factors affecting procurement performance. The main theories considered in this study included agency theory, resource-based theory and bloom's taxonomy of learning theory.

Agency Theory:

The agency theory explains the relationships and contracts that exist in a firm among the various stakeholders like managers (principals) and the suppliers (agents). Despite the stipulated manager objectives that the suppliers are supposed to meet, they are not able to achieve them due to their non-rational opportunistic behavior leading to agency conflicts or problems (Sakwa & Iravo, 2015). The principal encounters several problems in governing the relationship with the agent, the first of which involves choosing an appropriate agent. Consistent with the tenets of agency theory, the view adopted here assumes that agents and purchasing officials are rational, self-interested utility maximizers (Ngwili & Were, 2014). To minimize agency problems the principals incur agency cost that is defined as the monitoring expenses incurred by the principal, bonding expenses and the resultant loss due to the separation of control (Xingxing, 2012). The agency problems in procurement are more in the private sector, where there are fewer regulations than in the public sector, and where tendering is not required (Musau, 2015). The hotels in Mombasa County are mostly privately owned hence are free to have long term relationships with their suppliers due to lack of regulations. This theory is crucial in this study as, all principal-agent relationships are plagued by uncertainty not only in the level of an agent's knowledge, skills and abilities, but also in both the way the agent's action gets transformed into the output and whether or not the agent is acting in the principal's best interest. To establish the factors affecting procurement performance in the hotel industry, agency theory was important on the focus of supplier development as uncertainty results from the advantageous differential in knowledge held by the agent about his or their own actions in serving the principal.

Resource-Based Theory:

The resource based theory is based on an industrial organization and with a relation between firm structure and performance, where performance of the firm is put outside of its structure (Paulraj, 2011). The theory basically tries to justify why firms in the same industry perform differently by looking for the internal sources of sustained competitive advantage (Mokogi, Nyamongo & Ombui, 2015). In this view, the resource based theory complements rather than replacing the industrial organization whereby simultaneously valuable, rare, inimitable and non-substitutable resources can be a source of superior performance and may enable the firm to achieve sustained competitive advantage (Sauerhoff,

2014). The firm resources in this case refer to the intangible and tangible assets linked to the firm in a semi-permanent way, including: technological, human and physical assets though according to the resource based theory, the resources are not sufficient and should be complemented by capabilities which result from complex patterns of interactions and coordination between resources (Wong & Karia, 2010). Information technology in an organization is a key resource which can be combined with capabilities resulting in sustainable and competitive advantage. The resource based theory argues that firms have different resource endowments, and that the manner in which they require, develop, maintain, bundle and apply those leads to the development of competitive advantage and superior performance over time. This is true in the hotel industry and especially in the Kenyan coastal region where the establishments have different resources that they depend on to sustain business and make profits in the long run. Having unique information technology resources in this industry will definitely give a hotel a leverage over their competitors and especially in the procurement performance which is key in the running of the business. As resource based theory proposes, this information technology resource should be non-imitable to enable the hotel create long-lasting competitive capabilities and to generate a competitive advantage.

Bloom's Taxonomy of Learning Theory:

The taxonomy theory of learning advanced by Bloom in 1956 tries to identify different cognitive skills (Chimwani, Iravo & Tirimba, 2014). The theory classifies thinking into six cognitive levels of complexity; knowledge, comprehension, application, analysis, synthesis and evaluation whereby movement from level 1 to level 6 represents an increase in the level of sophistication of cognitive ability (Wilson, 2013). The taxonomy learning levels are seen as stairways in which if someone has mastered a higher level then he or she is considered to have mastered the lower levels. The three lower levels are more basic than the higher levels hence, higher demands are made of the skills associated with analysis, synthesis and evaluation while at operational and tactical level; knowledge, comprehension and application may be more heavily utilized (Chimwani, Iravo & Tirimba, 2014). This theory is relevant in this study in that procurement performance depends highly on staff qualifications and skills. Hotel management is quite complex hence performance can be optimized through staffing, training and education. In the procurement management in the hotel industry, the higher qualified staff take on the more sophisticated tasks while the less qualified take on the less demanding jobs though they are encouraged to increase their skills to achieve the analysis skills. Through learning and experience, the procurement staff should be able to understand each stage of activity in the process and how the stages relate to each other embracing best practices resulting in best overall procurement performance.

IV. METHODOLOGY

A descriptive survey design was adopted in this study as it enables the identification and classification of the elements or characteristics of the subject. A descriptive survey research design is also the most useful in a study when the research is interested on the state of affairs already existing in the field and no variable would be manipulated (Burrows, 2011). The target population in this study consisted of the classified or star rated hotels in Mombasa County. There were fifty one star rated hotels in Mombasa County as at August 2016 as per The Ministry of Tourism database, Kenya Association of Hotel keepers and Caterers (KAHC) database and the trip-advisor website. The study adopted a stratified random sampling technique with respect to the unit of analysis which is the star rated hotels in Mombasa County. The hotels were first grouped into their relevant strata (5 star, 4 star, 3 star, 2 star and 1 star) and their actual representation in the population identified. Random sampling was then used to select a sufficient number of hotels from each stratum for the study. According to Cooper et al. (2014), a sample size of 30 % is a good representation of the target population but due to the relatively small target population, the study used a sample of 50% of each stratum which is a total 26 star rated hotels. The higher percentage made the data more factual. To collect data for this study, a questionnaire with both closed and open questions was used. The researcher personally administered the questionnaires to the respondents and picked them later for analysis using drop and pick later method.

The analysis of data involved coding data into groups that consolidate it into various unique categories. Statistical package for social sciences (SPSS) was used to analyze the data because of their ability to analyze data conclusively within a short period and its simplicity in application (Burrows, 2011). Descriptive statistical techniques including Minimum, Maximum, Mean and Standard Deviation will be used to analyze data. The association between the dependent variable and the independent variables was determined using the Pearson correlation coefficient that determines a linear relationship between two variables. A multivariate regression model was used to link the independent variables to the dependent variable. Presentation of the findings was done using frequency distribution tables for further analysis and to

facilitate comparison. A quantitative report was generated through the tabulations, measure of central tendency and percentages.

V. DATA PRESENTATION, ANALYSIS AND DISCUSSION

Response Rate:

Of the 26 questionnaires sent to respondents, 19 were filled and returned hence giving a response rate of 73 percent. These included, 3 one star, 3 two star, 8 three star, 3 four star and 2 five star hotels. According to Cooper et al (2014), a response rate of 50 percent is adequate for analysis and reporting; a rate of 60 percent is good and a response rate of 70 percent and over is excellent hence the response rate was adequately sufficient.

Reliability Analysis:

Reliability encompasses the consistency, dependability and stability of the data collection instruments whereby if duplicated, gives consistent results. The questionnaire's reliability was determined through the Cronbach's Alpha which measures the internal consistency. The value of the alpha coefficient values range from 0-1 and are used to describe the reliability of contents or variables in questionnaires or scales where the higher the value, the more reliable the generated scale with a minimum 0.7 being an acceptable reliability coefficient (Cooper et al., 2014). With the application of Statistical Package for Social Sciences (SPSS 20) computer software, the Cronbach's Alpha coefficients for the variables were as shown in table 3.3 below. All the three variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

TABLE 1: CRONBACH ALPHA CO-EFFICIENT

Scale	Alpha Coefficient	Number of items
Supplier Development	0.714	5
Information Technology	0.729	5
Staff Competency	0.714	5

Supplier Development:

The study sought to find out if the hotels involved in any supplier development activities and how often annually (1= Never, 2= Once, 3= Twice and 4= Thrice and above). One of the aspects of supplier development is the visitation of organizations' members to their suppliers to familiarize themselves with their processes be it production, packaging or any other relevant procedures. Respondents were required to indicate whether their hotel visited their suppliers and if yes then how many times annually. The hotels that never had visits were a majority at 42.1%, once annually at 31.6%, twice annually at 15.8% while thrice and over were at 10.5%. The modal class was thus that never paid their suppliers any visits followed by a once annually visits. The study also sought to find out whether the hotels recognized and rewarded their suppliers. This is crucial in supplier development as the rewarded suppliers are motivated to provide better services to their customers. None of the hotels indicated they did not recognize their suppliers while 52.6% reward their suppliers once annually, twice annually were at 36.8% with a 10.5% having more than thrice annual rewards and recognitions. Most of the hotels indicated they recognized and rewarded their suppliers once annually which was mostly an end year closing party where they factored in their best suppliers. A very important aspect in supplier development is the collaboration between the suppliers and their customers with the goal of producing superb products for the market. In this study the respondents were asked on the relationship that their hotel have with the suppliers to improve the products. There was a nil percentage for never, 21.1% for once, 26.3% for twice and a 52.69% for a thrice and more cooperation with suppliers to improve products. With a mode of collaborating with supplier more than three times in a year it was clear that the hotels understood the need for cooperation for the best goods. The study also sought to find out whether the hotels engaged in any supplier training. The results showed that majority (52.6 %) never carried out any supplier trainings while 31.6% trained suppliers once annually, 10.5% twice annually while thrice and more times stood at a low of 5.3%. the majority comprised of one, two and three star hotels while the higher rated hotels carried out some trainings for their suppliers. On the issue of information sharing on product quality and cost by the suppliers, 52.6 % never did, 21.1% once annually, 15.8% twice annually while 10.5% did share thrice and more times in a year. This shows that information flow between the suppliers and the hotels was not sufficient despite its importance in achieving efficient procurement performance and the ultimate success of the hotels.

The findings showed that supplier plant visits had a moderate extend effect on the procurement performance of the hotels at a mean of 2.16. On the effect of supplier rewards and recognition to the procurement performance of the star rated hotels, there was a mean of 3.58 which implied great extent. The aspect of collaborations between the hotels and the suppliers to improve products also had a great extend at 3.11 while the effect of supplier training on procurement had moderate extend at 2.42. At a mean of 3.26, it was evident that the sharing of information on cost and quality of products affected procurement performance to a great extent.

Information Technology:

Information technology was one of the factors that the study focused on to determine its effect on procurement performance. This is because, the establishment of procurement systems and automation of other hotel functions results in more competitive organizations. The study was interested in finding out how the hotels were automated and to what extent they had embraced information technology in procurement procedures. The first indicator of information technology was the levels of computer literacy among the employees at the procurement department of the hotels. The results stood at a 100% in all the hotels of there being a 60% and over staff who were computer literate. This findings were different from the studies done espalier on the star rated hotels that had very low numbers in computer literacy among the employees. The high computer literacy could be as a result of the rapid penetration of computer trainings and automation in most developing nations in the recent years. On the level of automation in the star rated hotels, none had a 0% while 20% automation stood at 31.6%, 40% at 47.4% and 60% and over was at 21.1%. At a modal percentage of 40% and followed closely by 20% automation it was evident that most hotels were not sufficiently automated and carried some of their processes manually. The over 60% automation that had a frequency of 21.1% comprised of the 4 and 5 star hotels. Respondents were also required to indicate the level at which their hotels used procurement systems. A small number of 10.5% had 0% usage of procurement systems, 20% automation was at 52.6%, 40% automation was at 21.1% while those at over 60% and over automation was at 15.8%. This could be attributed to the low levels of automation among a majority of hotels mostly at low star rating of 1to 3. On the level of embracement of e-procurement in the hotels,0% embracement had 5.3%, 20% w0as at a high of 63.2%, 40% at 10.5% while 60% and over was at 21.1%. The modal class being of the respondents who had 20% e-procurement embracement showed that most of the hotels had quite a low embracement of e-procurement.

Of importance in this study also was the extent to which various e- procurement procedures affected procurement performance in the star rated hotels. The respondents greatly agreed that online tender advertisement affected procurement performance at a mean of 3. The extent to which computerize tendering process had an effect on procurement performance was moderate at a mean of 2.47 which w-as still the case for computerized selection process at a mean of 2.11. Computerized supplier communication and additional procedures affected procurement performance to a great extend with means of 3.32 and 3.21 respectively.

Staff Competency:

Majority of the hotels (47.4%) never sponsored their staff for educational trainings, 26.3% sponsored their staff 1-3 times annually, 4-6 times were at 21.1% while those who did it more than 6 times in year were a minority 5.3%. Those that never sponsored any trainings were the low rated hotels while those at 4 times and more were mostly 4 and 5 star hotels. Refresher courses were offered by a majority of hotels (57.90%) at 1-3 times annually followed by 26.30% that never offered any while 15.80% offered refresher courses 4-6 times in a year. Though quite few times in a year, the modal class indicated that most hotels understood the importance of refresher courses. On whether the hotels took their employees for professional conferences, 1-3 times were a majority 52.60%, 4-6 times at 36.80% while those that never offered professional conferences and those at more than 6 times a year were each at 5.30%. The high percentages indicated that most hotels took their staff for professional conferences.

Employee satisfaction had a mean of 3.32 which meant that the most respondents greatly agreed that it affected procurement performance. At 2.79 mean for employee professional qualification, it implied that the respondents indicated that it affected procurement performance to a moderate extend. Employee working experience had a very high mean of 3.74 hence the respondents pointed out that its effect on procurement performance had a great extent. The effect of employee education level on procurement performance had moderate extent at 2.11. The effect of employee skills to procurement performance stood at a mean of 3.37 which indicated a great extent. These data implies that staff competency really affects performance.

Procurement Performance:

The study tried to establish the rate of different procurement performance indicators in their hotels. The respondents were not sure on whether there was a strong buyer supplier relationship or whether the hotels had organized procedures and systems as they had means of 3.21 and 3.00 respectively. The respondents also disagreed on other aspects including timely delivery of goods and services (2.47), effective cost minimization procedures (2.79) and effective control of resources (2.63). The results indicate that most hotels did not have efficient and effective procurement performance.

Regression Analysis:

The study conducted a multiple regression analysis so as to determine the effect of the various independent variables on procurement performance of star rated hotels in Mombasa, Kenya. Through this analysis, the study was able to predict a score of one variable on the basis of their scores on several other variables.

TABLE II: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.109	3	16.036	4.842	.015 ^b
	Residual	49.680	15	3.312		
	Total	97.789	18			

As the table ii shows, the significance value is 0.015 which is less than 0.05 thus the model is statistically significant in predicting how supplier development, information technology and staff competency affect the procurement performance of star rated hotels in Mombasa County.

TABLE III: SIGNIFICANCE OF THE VARIABLES IN THE MODEL

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
		1	(Constant)	8.750			3.162	
	Supplier Development	-.259	.612	-.664	-.422	.679	-1.563	1.046
	Information Technology	.553	.607	1.385	.911	.377	-.741	1.847
	Staff Competency	-.024	.247	-.035	-.096	.924	-.551	.503

a. Dependent Variable: Performance Procurement

A multivariate regression model was used to determine the relationship between the independent variables and the dependent variable with the following equation.

$$Y = 8.750 + (-2.59X_1) + 0.553X_2 + (-0.24X_3) + 3.162$$

From the regression equation established, taking all factors (supplier development, information technology and staff competency) constant at zero, the procurement performance at the star rated hotels in Mombasa County would be 8.750. The regression equation further shows that if all other variables are kept constant, a unit increase in supplier development will lead to a 0.259 increase in procurement performance of the star rated hotels. A unit increase in information technology will lead to a 0.553 increase in procurement performance while a unit increase in staff competency will lead to a 0.024 increase in procurement performance. Therefore information technology has the highest contribution to procurement performance of star rated hotels in Mombasa County. At 95% level of confidence and 5% level of significance, supplier development had a 0.422 level of significance, information technology showed a 0.911 significance level while staff competency had a 0.096 level of significance. Hence the most significant factor is information technology.

TABLE IV: PEARSON CORRELATION COEFFICIENT OF THE MODEL

	Procurement Performance	Supplier Development	Information Technology	Staff Competency
Procurement Performance	1	0.680	0.696	0.572
Supplier Development		1	0.993	0.861
Information Technology			1	0.851
Staff Competency				1
**	Correlation is significant at the 0.05 level (1-tailed).			

As indicated in table iv, there was a strong positive correlation between procurement performance and supplier development ($r= 0.680$). The correlation between procurement performance and information technology was also a strong positive one at a correlation figure of 0.696. The correlation between staff competency and supplier development is also positive although moderate at an r of 0.572. The implication here is, any endeavor that increases supplier development, information technology and staff competency will affect procurement performance positively.

Coefficient of Determination:

The coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables.

TABLE V: COEFFICIENT OF DETERMINATION

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.701 ^a	.492	.390	1.820	.492	4.842	3	15	.015	1.701
a. Predictors: (Constant), Staff Competency, Information Technology, Supplier Development										
b. Dependent Variable: Performance Procurement										

As represented by R^2 , the model’s three independent variables (supplier development, information technology and staff competency) that were studied explain only 49.2% of the procurement performance of star rated hotels in Mombasa County. This implies that other factors not studied contribute to 49.8% of the procurement performance at these star rated hotels hence further research should be conducted to investigate the other factors.

VI. CONCLUSIONS AND RECOMMENDATIONS

The study established that supplier development strongly affected procurement performance. This was supported by the strong positive correlation between supplier development and procurement performance which implied that any advancement of the aspects of developing their suppliers improved the procurement performance of the hotels. The study concludes that visitation to suppliers, supplier rewards and recognition, collaboration with suppliers to improve products, suppliers training and information sharing on cost and quality greatly influenced the efficiency and effectiveness of the star rated hotels in Mombasa County, Kenya. On information technology, the study showed quite a high percentage of computer literacy among the procurement staff but low embracement of e- procurement systems in most hotels. The conclusion here is that most staff are well trained but the hotels input on information technology infrastructure was still quite low. This can be attributed the prolonged low seasons experienced in the area due to insecurity as from around 2013 where most hotels had been on low operations. That notwithstanding, the study showed a strong positive correlation between information technology and procurement performance. The conclusion here is that, embracement of information technology in various procurement procedures like tender advertisement, selection, supplier communication and other crucial procedures led to timeliness, costliness and ultimately efficient and effective procurement performance. Findings of the study showed that the hotels undertook some trainings and refresher courses on their staff. The conclusion is that most hotels understood the need for these processes to equip their staff professional hence more competency. A positive correlation between staff competency and procurement performance implied that any undertaking that improved the competency of the procurement staff led to better procurement performance. This included staff general satisfaction, employee professional qualifications, employee working experience, education level and skills. With staff working experience, satisfaction and skills showing more influence it can be concluded that the performance of procurement duties in the hotels depend more on those aspects as compared to the level of education. Based on the summary of the findings: having a strong relationship with suppliers by developing them, automating procurement systems and adopting IT systems as well as ensuring the procurement staff were motivated with the right experience and qualifications impacted positively on procurement performance among star rated hotels in Mombasa County in Kenya.

Recommendations:

Procurement management should not be solely left with the procurement department but rather all hotel employees should be involved and should understand the effect of their activities on procurement performance especially the cross-functional managers. This will lead to successes in hotel procurement and ultimately the whole organization. The study

recognized the need to develop suppliers to ensure the supply of quality products at the best prices and within the right time. Therefore the study recommends more involvement of suppliers by rewarding and recognizing them, ensuring information flow with the suppliers, offering trainings where need be and even collaborating with the direct suppliers to ensure quality products. The star rated hotels should make use of enabling technology to increase the efficiency of procurement performance. This should start with the automation of procurement activities and proceed to acquire procurement systems. The hotels should ensure they have skilled and qualified staff to use the systems for optimal performance. The procurement managers together with other managers should identify the hotels' unique procurement performance drivers and relevant risks and use them to develop their unique procurement management policies and practices that are in line with their business model and the overall hotel corporate strategy.

Further Research:

The study focused on three independent factors (supplier development, information technology and staff competency) but future research can broaden the variables and investigate their effect on procurement performance of the star rated hotels. This is evidenced by the R square of 49.2% which indicates that there are other factors not considered that are instrumental in the procurement performance of star rated hotels in Mombasa County

REFERENCES

- [1] Akenroye, T., Ojo, O. & Aju, O. (2012). Purchasing and Supply Management Practices in Corporate Nigeria: An investigation into the Financial Services. *International Journal of Business and Social Science*, 3(14), 1-12.
- [2] Burrows, R. (2011). *Visualization, digitalization and the 'descriptive turn' in contemporary sociology*. In: Heywood I, Sandywell B (eds) *The Handbook of Visual Culture*. London: Berg.
- [3] Chimwani, Iravo & Tirimba. (2014). Factors influencing Procurement Performance in the Kenyan Public Sector: Case Study of the State Law Office. *Innovative Space of Scientific Research Journals*, 1626-1650.
- [4] Ebrahim, A. (2010). "Accountability", in H. Anheier and S. Toepler (eds) *International Encyclopedia of Civil Society*. New York: Springer Science + Business Media.
- [5] Kamau, S. & Waudu, J. (2012). Hospitality industry employer's expectation of employees' competences in Nairobi Hotels. *Journal of Hospitality Management and Tourism*, (3)4, 55-63.
- [6] Karanja, M. K. & Kiarie, D. (2015). Influence of procurement practices on an organization's performance in the private sector in Kenya: A Case Study of Guaranty Trust Bank Kenya Ltd. *International Journal of Business & Law Research*, 3(2), 44-60.
- [7] Kasisi, R., Mumo, B. M. & Mwangi, H. G. (2014). Factors Affecting the Performance of the Procurement Function in Government Organisations: A Case Study of National Oil Corporation of Kenya. *International Journal of Scientific Engineering and Research (IJSER)*, 2347-3878.
- [8] Kiage, J. O. (2013). Factors Affecting Procurement Performance: A Case of Ministry of Energy. *International Journal of Business and Commerce*, 54-70.
- [9] Kimani, C. W. (2013). Supply Chain Management Challenges in Kenya Petroleum Industry: Case of National Oil Corporation of Kenya. *International Journal of Social Sciences and Entrepreneurship*, 1 (3), 231- 246.
- [10] Mokogi, W, Nyamongo, C. M. & Ombui, K. (2015). Effects of Procurement Practices on the Performance of Commercial State Owned Enterprises in Nairobi County. *International Journal of Science and Research Publications*, 5 (6), 1-11.
- [11] Musau, E. G. (2015). Environmental Factors Affecting Procurement Performance in County Governments: A Case of Uasin Gishu County. *International Journal of Business and Management Invention*, 50-59.
- [12] Ngwili, J. K. & Were, S. (2014). Factors Affecting Efficiency of the Procurement Function at the Public Institutions in Kenya (A Case of Supplies Branch in Nairobi). *International Journal of Business & Law Research*, 1-14.
- [13] Odoom, C. K. (2012). Logistics and Supply Chain Management in the Hotel Industry: Impact on Hotel Performance in the Service Delivery. *UNLV Theses/ Dissertations/ Professional Papers/ Capstones*, Paper 1339.

- [14] Pai, J. (2012). Knowledge integration, task technology fit and e-business implementation: An empirical study. *African Journal of Business Management*, 6 (47), 11609-11615.
- [15] Paulraj, A. (2011). Understanding the relationship between internal resources and capabilities, sustainable supply management, and organizational sustainability. *Journal of Supply Chain Management*, 47(1), 19-37.
- [16] Sakwa, A. & Iravo, M. A. (2015). Factors Affecting Procurement Performance in Technical Training Institutions: A Case Study of Ol'lessos Technical Training Institute (OTTI). *The International Journal of Humanities & Social Studies*, 226-235.
- [17] Sauerhoff, C. (2014). Competitive Differentiation within the Shipbuilding Industry. <http://www.springer.com/978-3-658-05803-6>.
- [18] Uyerra, E. & Flanagan, K. (2010). "From regional systems of innovation to regions as innovation policy spaces" Environment and Planning. *Government and Policy*, 28, 681 – 695.
- [19] Wilson, L. O. (2013). Anderson and Krathwohl – Understanding the New Version of Bloom's Taxonomy. <http://www4.uwsp.edu/education/lwilson/curric/newtaxonomy.htm> (2001, 2005), revised 2013.
- [20] Wong, C. Y. & Karia, N. (2010). Explaining the Competitive Advantage of Logistics Providers: A Resource based View Approach. *Internal Journal of Production Economics*, 128, 51-67.
- [21] Xingxing, Z. (2012). An agency theory perspective on supply chain quality management. *Journal of Supply Chain Management*, 31(9), 111-116.